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ABSTRACT

This is the report of a working group formed by the Government of New Zealand to assist in establishing a more equitable system of early childhood care and education (ECCE) than presently exists. The working group was asked to investigate all state and independent arrangements for the care and education of infants and children up to the age of 6 years, and to advise on: (1) costs and benefits of ECCE; (2) the roles of the family, community, and government; (3) the role of the government in relation to children as society's future; (4) equity of access to and equitable funding for complementary care and education; (5) the balance between private and social costs, and the impact of the social costs on the government's budget; (6) the appropriate arrangements for policy advice and implementation of policy, including reform if necessary; and (7) appropriate transitional arangements. In addition, the working group addressed issues related to ECCE for children with special needs. With the release of the report of the Taskforce to Review Education Administration (the Picot report), it was logical for the working group to consider the task force's recommendations and incorporate the task force's proposed model whenever it was practical for the ECCE sector. (RH)

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Education to be More

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Report of The Early Childhood Care and Education Working Group 1988

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Education to be More

Report of The
Early Childhood Care and Education
Working Group

August 1988

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Minister's Foreword

This Government sees early childhood care and education as having priority among its social policies.

To assist in establishing a more equitable system of early childhood care and education the Government formed a working group, chaired by Dr Anne Meade. *Education to be More* is the report of that working group.

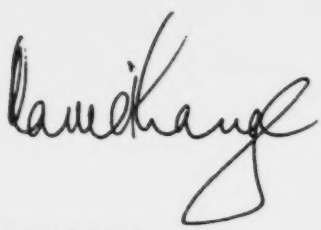
It is a timely document. The Government has already made public its proposals for the reform of education administration. *Education to be More* fits into that framework.

It is a responsible document. Too frequently reports to Government stress the need but do not document the means. *Education to be More* outlines steps to provide the required services.

It is an important document. The care and education received by and given to a young child is crucial to her or his development. Crucial, not just to the individual but to the society in which they will grow up and become adults.

My thanks to Dr Meade, members of her working group, and all who assisted her.

I commend this document to the attention of all who are interested.



David Lange
Minister of Education

Terms of Reference

Definition

Early childhood care and education in these terms of reference includes all formal state and independent arrangements for the care and education of infants and children up to the age of six, including extension and advisory services. It excludes primary schools, institutional and other arrangements for sick and abused children, or other specialised services (such as foster homes) for children with special requirements.

Tasks

The Group will provide a short restatement of the purpose, place, form and function of early childhood care and education and advise and recommend on:

- the respective roles and responsibilities of the family and community and the government in the provision of care and education for infants and young children
- the role and responsibility of the government in relation to:
  - (i) — children's social development and the well being of society
    - — the relationship of early childhood care and education to the education system as a whole
    - — the need for more equitable access to childhood care and education
    - — the need for more equitable funding and funding processes
    - — the balance between the private and social costs and benefits of early childhood care and education (including funding, management and accountability arrangements)
    - — the budgetary effects of government interventions
  - (ii) appropriate institutional arrangements for the development of policy advice for the government and for the implementation of government policy, (including the extent and nature of the government's supervisory, co-ordinating and monitoring responsibilities and how these should best be fulfilled)
- the effectiveness, efficiency, responsiveness and appropriateness of current interventions (including delivery systems) in early childhood care and education
- the costs and benefits of early childhood care and education services to children, parents, providers, employers and society
- the reform of current interventions (including delivery systems) in early childhood care and education
- suggest appropriate transitional arrangements.

General Themes

The government has established five underlying themes common to all areas of social policy reform. These are:

- implementing the principles of the Treaty of Waitangi
- improving the social and economic status of women
- providing a legislative environment which safeguards basic human rights and freedoms, and works towards the removal of discrimination
- recognising the needs, contributions and traditions of Pacific Island peoples and other minority cultures residing in New Zealand
- enhancing the family unit in New Zealand society.

The working group will take these themes into account.

Overview

Since early this century, successive governments have accepted that the state has a responsibility to help provide early childhood services. The amount of community effort that has been expended over the years in calling for more and more services demonstrates most New Zealanders' conviction about value of such "complementary" care and education. Governments have responded with incremental funding over the decades, while leaving the initiative for services to community and private groups.

The level of government funding is a vital factor in the provision of services. When government funding to providers falls below a certain proportion of costs, the services cease to be viable and closure follows. This is happening now, just when demand is at its highest in decades.

The history of government involvement has been characterised by the giving of grants to a succession of service providers, based on negotiated policies usually initiated by the provider organisations. Thus, each funding formula differs in its nature and amount. As well, providers of early childhood services developed their own ideologies and delivery systems in response to the social conditions of their heyday. Many have not adapted to changing social and economic conditions for internal reasons, or because of the constraints of the government's funding formula. The only solution to a different set of early childhood needs has been to set up yet another new and different delivery system. The result is the current array of early childhood service—each, of course, with its own funding arrangements and level of funding. Generally speaking, those that have existed longest, receive the greatest level of state funding. This is not a good enough reason for a greater share of the funds, and inequities are considerable. Availability, accessibility and affordability varies from community to community and between services.

Why Should the Government be Involved?

The working group recognises that although early childhood care and education is an essential factor in the development of every child, it would not be reasonable to expect most families to acquire all the knowledge and skills necessary to provide a complete range of services. Nor would it be reasonable to expect each family to bear the full cost.

We believe that the inter-related nature of the key benefits of early childhood care and education necessitate the government's presence as an administering and monitoring authority, as a provider of training, and as a major source of funding.

Past governments' funding has been based on the benefits that early childhood care and education offers for children—and, in the case of nga kohanga reo, what it offers for Maori cultural survival. The state has shown little interest in the value of early childhood services for mothers. The establishment

of the Ministry of Women's Affairs provides tangible evidence of this government's commitment to women's participation in economic and social life: what is needed now is for sufficient funds to be made available to early childhood care and education for this to become possible.

A Model to Provide for Equitable and Affordable Services

Our proposed model follows that outlined in *Tomorrow's Schools*, with some variation where we felt it essential to recognise the fagility of the early childhood sector and to allow for effective co-ordination and developmental support in the future. It includes an emphasis on community involvement—through boards of trustees at the service-provider level—and the presence of a central agency (the Ministry of Education) to deliver bulk funding. It affirms the need for charters as the expression of the two-way contractual relationship between the government and the service providers, and the service providers and the community.

An important feature of our proposed model is the establishment of an Early Childhood Development Unit to provide the essential developmental work at the community level to foster new services. This unit would also provide in-service training and other support/advisory services to both individual providers and groups of providers in a variety of organisations.

As well, the Ministry of Education is our preferred agent for seeing that standards of quality are maintained. It—rather than the Review and Audit Agency as in *Tomorrow's Schools*—would undertake a regular review of services, to check their performance against the objectives stated in each service's charter. (The Review and Audit Agency, however, would undertake special reviews as requested.) The ministry will also be responsible for setting national guidelines for early childhood care and education.

We are confident that our model will provide a delivery system for care and education services which is equally accessible to all families at a price they can afford. However, it is vital that the amount of bulk funding is set at a level which does not reduce funding to any existing services—none of which are funded adequately at present. Since kindergarten is currently funded at a level higher than all other services, and given the criteria for quality which the working group has agreed on, it follows that the level of bulk funding should be set at a higher rate still. This will provide for necessary improvements in the kindergarten service as well as establishing an adequate funding base for other services. We have developed a model in which a variety of languages and cultures can be fostered, and which presents no administrative barriers to funding delivery. The model makes no distinction between the merits of centre-based or home-based care and education: the delivery system for funding can apply to either.

Bulk funding will be delivered by the Ministry of Education to chartered organisations or institutions, including organisations which deliver home-based care and education. The ministry will administer a loans scheme and a discretionary grants fund as well. A further component of funding will

continue to be available via the childcare fees subsidy delivered by the Department of Social Welfare, as a method of providing extra assistance to low-income families.

Our proposals would come into effect at the same time as the more general changeover in education administration: 1 October 1989. Because a crisis exists already in early childhood care and education, we have also recommended to Cabinet a number of ways in which extra funding could be delivered via the current structure to alleviate some of the worst pressure.

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1: The Task of the Working Group

1.1.1 The working group was asked to investigate all state and independent arrangements for the care and education of infants and children up to the age of six, and to advise and recommend on:

- costs and benefits of early childhood care and education
- the respective roles and responsibilities of the family, community and government
- the role and responsibility of the government in relation to children as society's future
- equity of access to and equitable funding for complementary care and education
- the balance between private and social costs, and the impact of the social costs on the Government's Budget
- the appropriate arrangements for policy advice and for implementation of policy including reform if need be
- appropriate transitional arrangements.

As well, the working group addressed issues related to early childhood care and education for children with special needs.

1.1.2 During its investigations, the working group became aware of an additional task. With the release of the report of the Taskforce to Review Education Administration (the "Picot" report), it was logical for the working group to consider that taskforce's recommendations and to incorporate their proposed model wherever practicable for the early childhood care and education sector.

1.2 The Process Used

1.2.1 The working group was aware of the confidential nature of the brief. We were also aware of the extensive knowledge about early childhood services among early childhood groups, and so we asked for and received written comment from community groups. Some members of the working party also met with representatives of organisations—often at their request.

1.2.2 Several important reports published in the 1980s have addressed early childhood issues. In recognition of the valuable work done in these reports, we endeavoured to incorporate as many of their recommendations as possible into our thinking—if they fitted our objectives and the Picot model. These reports include:

- *Early Childhood Care and Education*—a report of the State Services Commission Working Group, 1980
- *The 1984 Women's Forums: Policy Priorities*—a report from the Minister of Women's Affairs, 1985
- *Childcare Services*—a report of the Social Advisory Council, 1985

- *Report of the Joint Ministerial Working Party for the Transfer of Administration of Childcare from the Department of Social Welfare to the Department of Education*—1985
- *The April Report*—the report of the Royal Commission on Social Policy, 1988.

1.2.3 It is clear from these various reports that the field of early childhood services gains both strength and fragility from the high level of voluntary input and relatively low wages for those who are paid, and these various reports have tried to address inequities in funding for early childhood services. We share—and our recommendations reinforce—the views of the earlier working parties, which are:

— that funding levels should be significantly increased particularly for childcare

— that funding should go to the provider rather than the user of services

— that family income policies should be seen as separate from the funding of early childhood services

— that funding levels should be sufficient to pay salaries for qualified childcare workers and thus attract qualified staff

— that systems should be established which identify and meet community needs for early childhood services

— that an advisory service should be adequately resourced for the early childhood field

— that support for training and skills development for early childhood workers should be increased.

1.2.4 There is a great deal of interest in the outcome of the working group's investigations. Those in the early childhood field have been hoping for some time for solutions to the very real problems in equity of funding, accessibility, and quality of services. So longstanding have these problems been that, in our view, a crisis point has now been reached. Our recommendations provide ways of overcoming this crisis within a new contactual arrangement between the government and providers—and we urge that our proposals be acted upon at the time of changeover to a new education administration. It is time for action, not further consultation.

2: The Value Base of the Working Group

2.1.1 We consider it is necessary to declare the fundamental beliefs on which our report in general and our recommendations in particular are made.

2.1.2 We endorse the principles in the government's programme of social policy reform:

- implementing the Treaty of Waitangi
- improving the social and economic status of women
- enhancing the family unit in New Zealand society
- providing a legislative environment which safeguards basic human rights and freedoms, and works towards the removal of discrimination
- recognising the needs, contributions and traditions of Pacific Island peoples and other minority cultures residing in New Zealand.

2.1.3 At the end of this report, we revisit these principles and demonstrate how they have been incorporated into our recommendations.

2.1.4 In addition we strongly support:

- flexibility and diversity in early childhood care and education
- community involvement in decision making, in resource allocation, and in accountability procedures
- responsiveness to consumer needs
- maximum accessibility to services
- increased affordability of services
- promotion of the rights of children and families.

2.1.5 An example of the working group's values in action has been the acknowledgement by the Maori people that the early childhood years are critical and formative years which provide a key means of encouraging cultural survival. Some general lessons about early childhood can be learned from the separate action taken by Maori people in the development of nga kohanga reo. They include:

- the importance of the tangata whenua defining their own needs, gaining control of meeting these needs, and having an adequate resource base to do so
- the importance, in general, of culturally appropriate high-quality care and education
- the inflexibility of the current system in identifying and responding to community needs
- the need to recognise the holistic nature of early childhood services
- the grossly inadequate funding base for early childhood services.

2.2 Our Definition of Early Childhood Care and Education

2.2.1 The working group defines early childhood care and education as education, care and learning that *occurs* in a safe and healthy environment, that *involves* parents to some degree (ranging from complete to a limited involvement), and that *develops* the potential and quality of life of young children in the present and for the future.

2.2.2 Planned early childhood care and education not provided solely by parents is what we have called *complementary early childhood care and education* in this report. Its purpose is to help parents and to support families in their key social role. Good-quality early childhood care and education—whether in the family or elsewhere—can lessen the impact of any disadvantages that may stem from material, social or physical deprivation.

Complementary early childhood care and education services can be either centre- or home-based. Home-based services include family day care or formally networked private arrangements.

2.3 Essential Elements of Our Model

Holistic Nature of Early Childhood Care and Education

2.3.1 Three elements are at the heart of all early childhood care and education services:

- *Features which are in the interests of the child*—that is, good-quality services which meet the rights and needs of the child.
- *Features which are in the interests of caregivers*—given that most parents with primary responsibility for their children are women, this means accessibility to affordable services which allows women:
  - to have real choice about whether or not they wish to re-enter the paid workforce
  - to do voluntary work
  - to be available for public duties such as membership of local bodies
  - to further their own education
  - to have regular rest and leisure time.
- *Features which are in the interests of cultural survival and transmission to succeeding generations*—that is, opportunities for young children to learn the language and other elements of their own culture in an appropriate setting, and for this learning opportunity to be available to the parents or whanau as well.

2.3.2 It is essential for all three elements to be present in every early childhood care and education arrangement. If any one of the three is championed at the expense of the other two, then the service will be unacceptably inadequate. Achieving the correct balance is crucial.

2.4 Treaty of Waitangi

2.4.1 We believe it is important to highlight the responsibilities of the new Ministry of Education and the early childhood sector in relation to the Treaty of Waitangi. We expect the Ministry and the early childhood sector to honour the promise of the Treaty of Waitangi and recognise its mana, through the implementation of a true partnership between the Crown and the Maori people. This will mean equal sharing of power and resources.

2.5 Rights of the Child

2.5.1 Both our model and our recommended funding levels are based on respect for the basic rights of children such as the following rights adapted from the *Declaration of the International Year of the Child*:

- the right to live within their own family, whanau or aiga wherever possible
- the right to affection, love and understanding
- the right to be given adequate nutrition and medical care
- the right to have free care and education
- the right to full opportunity for play and recreation
- the right of access to the natural environment
- the right to a name and nationality
- the right to have special care, if handicapped
- the right to be among the first to receive relief in time of disaster
- the right to learn to be a useful member of society and to develop individual abilities
- the right to be brought up in a spirit of peace and universal co-operation
- the right to enjoy these rights regardless of the child's race, colour, sex, religion, national or social origin.

2.5.2 Early childhood care and education services which are of good quality and which are accessible, affordable and culturally relevant are services which support the principles of this declaration. In turn, these services are considered to be so important to social well-being and cultural continuity that adequate public funding for them is essential.

The Importance & Value of Early Childhood Care & Education

3: Myths about Early Childhood Care & Education

3.1.1 There have been a number of myths associated with early childhood services, and with childcare in particular. These have been based on the view that a woman's place is in the home and that it is vital for a mother to be with her children in the pre-school years. This view was fuelled in the 1940s by John Bowlby's theories on maternal deprivation.[1] Based on the inappropriate evidence of understaffed and unstimulating orphanages in Britain, John Bowlby argued that a young child should not be separated from its mother. He considered, for example, that until the age of three a child should be away from its mother for no longer than half a day. His theories fell on welcoming ears after the Second World War when both the government and society were encouraging women to stay at home in order to ensure men returning from war had paid employment. John Bowlby's theories have long been debunked,[2] but their influence has lingered on and is reflected in mythology and policy.

[1] J Bowlby (1953) *Child Care and the Growth of Love* Pelican Books (Australia)

[2] For a New Zealand context, see G McDonald (1977) "Maternal Deprivation—Fact or Fallacy" *set* No 1

Myth 1

That it is bad for the child to be separated from the mother

3.1.2 What matters is the amount and quality of the child's care. The child needs to be able to form close, reliable, warm, trusting, loving bonds with a number of people. Evidence shows that more than one bond is better than a single bond. This is apparent in Maori families where care for a young child is the responsibility of and a pleasure for the whanau. It is also apparent in some Pacific Island cultures, where there is no special word for mother: a child's mother and aunts share the same designation, indicating that several family members share equal status and responsibility.

3.1.3 The idea that pre-schoolers should spend all their waking hours in the company of their mother was unique to the child-rearing theories that gained prominence after the Second World War. Historically and cross-culturally, young children have been reared in an extended family or small social group, by a variety of adult mother- and father-substitutes.

3.1.4 Early childhood services are a modern invention to replace the previous extended family, to provide support to small families, and to ensure the necessary stimulation and developmental activities for children.

Myth 2

That providing early childhood care and education services will encourage mothers to go to work

3.1.5 Studies have shown that a lack of facilities does not necessarily stop mothers from going into paid work outside the home. In fact, there is evidence that a lack of facilities results in second-rate and often dangerous care. So in these situations, providing good-quality and affordable services helps support the family and enriches the child.

Myth 3

That childcare services contribute to the breakdown of families by removing their key responsibility for child rearing

3.1.6 Childcare services do not contribute to the breakdown of families. Families in New Zealand already fit a variety of forms: from single-parent households, through the declining (in numbers) nuclear family, to extended families in Maori and Pacific Island cultures. Good-quality early childhood services act as a fundamental support to these families. They enhance the family and help it operate more effectively. Without early childhood services to provide an alternative means of care and education, stress can build up within a family.

4: The Benefits of Early Childhood Care & Education

4.1.1 The benefits of complementary early childhood care and education are proven without doubt by research and by experience. Parents know the difference it makes to their children and what a support it can be for themselves. Any principal or junior class teacher will comment on the difference early care and education experience makes to children's ability to learn.

4.2 General Benefits

4.2.1 Good-quality early childhood care and education sets the right foundation for children's future personal and educational development. Children acquire more knowledge and skills, develop a stronger sense of their personal and cultural identity, and learn how to get along with others from early childhood care and education experiences. Their improved facility with language—English or Maori or another mother tongue—is noticeable.

4.2.2 All this is enhanced when parents and/or whanau are involved and can increase their understanding of children, of parenting, and of their own language.

4.2.3 Early childhood services take on an enormous responsibility—and so getting the quality of complementary care and education right is extremely important. When good-quality experiences are provided, children are able to take advantage of the formative years when learning takes place at a phenomenal rate. The opportunities for play and learning need to occur in environments which:

- meet basic nutritional, health and safety requirements
- support and strengthen family ties
- reflect and enhance the socio-economic, cultural and ethnic backgrounds of the children and their community
- foster in children a deep sense of security, basic trust and acceptance of self and others.

4.2.4 In such environments, children develop:

— self-confidence and trust and a deeper understanding of their own identity
— social skills for good relationships with their peers and other adults
— a love of learning
— language concepts and vocabulary
— mathematical and spatial concepts and language
— ways of representing ideas and experiences
— decision-making and problem-solving skills
— willingness to apply effort to worthwhile tasks

— creative expression

— competence in physical skills

— an elementary understanding of their environment

— understanding of time

— a value base, and powers of judgment.

4.2.5 Children learn by dipping into their existing base of knowledge to form tentative ideas about any new experience or observation. They then test the idea against reality in a hands-on way to confirm the belief or reshape it. Early childhood care and education, which gives children all or many of the benefits listed above, sets a firm foundation that children can dip back into for their future learning.

4.2.6 Children who enter school without the skills of their peers are likely to be disadvantaged. They start school with a higher risk of failure—an important consideration at a time when unskilled employment is disappearing. Early childhood care and education can bridge the skills and knowledge gap, before such children slide into a downward spiral. The findings about the educational benefits of early childhood care and education are extensive.[1]

4.2.7 When children from disadvantaged families are given worthwhile early care and education experiences there are considerable social benefits as well. The evidence from a long-term American study[2] at Perry pre-school in Ypsilanti, Michigan, of the effects of early education on disadvantaged children (now aged 19 years) indicates the following:

- *Educational achievement*: Children who attend pre-school are more likely to complete their schooling than those who do not. Furthermore, the children with pre-school experience tend to spend fewer years in remedial classes than the other children, and 38 per cent went on to post-secondary education.
- *Employment*: Children with pre-school experience are more likely to be employed as young adults, and are more likely to support themselves completely on their own earnings.
- *Delinquency*: Children with pre-school experience are less likely to be arrested by the age of 19 than are those with no pre-school experience.
- *Teenage pregnancies*: Girls with pre-school experience are less likely to be teenage mothers and more likely to have jobs.
- *Paying for itself*: By calculating what it costs to put a child in remedial education, to pay a teenager the dole or to keep them in gaol, the researcher was able to estimate the cost efficiency of the Perry pre-school programme. It saved the taxpayer in the long run. For each $100 spent, the long-term savings were $400-$700.

Not all early childhood care and education will have those effects. The structural features at Perry pre-school were appropriate for achieving high-quality care and education. As well, the adults there understood the principles of an early education curriculum and so established a "virtuous cycle".

[1] L Rescorla and E Zigler (1981) "The Yale Child Welfare Research Program: Implications for Social Policy" *Education Evaluation and Policy Analysis* Vol 3 No 6.

C Ramey, D MacPhee and K Yeates (1982) "Preventing Developmental Retardation: A General System Mode" in L Bond and J Joffee (eds) *Facilitating Infant and Early Childhood Development* University Press of New England (Hanover, New Hampshire).

I Lazar and R Darlington (1982) "Lasting Effects of Early Education: A Report from the Consortium for Longitudinal Studies: *Monographs of the Society for Research in Child Development* Vol 47 No 2–3.

D Weikart (1982) *The Cost Effectiveness of High Quality Early Education Programmes* High/Scope Educational Foundation (Ypsilanti, Michigan).

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S Esbensen (1985) "The Effects of Day Care on Children, Families and Communities: A Review of the Research Findings" in the report of the *Canadian Task Force on Child Care*

D Philips K McCartney and S Scarr (1987) "Childcare Quality and Children's Social Development" *Developmental Psychology* Vol 23 No 4

M Woodhead (1987) "Some Lessons from Research into Pre-school Effectiveness" *Concern* No 63 Summer

[2] D Weikart, A S Epstein, L Schweinhart and J T Bond (1978) *The Ypsilanti Preschool Curriculum Demonstration Project: Preschool Years and Longitudinal Results* High/Scope Educational Research Foundation (Ypsilanti, Michigan)

D Weikart (1982) *The Cost Effectiveness of High Quality Early Education Programmes* High/Scope Educational Foundation (Ypsilanti, Michigan)

4.2.8 A bonus from the type of early childhood care and education usually found in New Zealand is that parents become more enthusiastic about school performance and raise the vocational aspirations they have for their children. Such parents are known to affect how adolescents fare during the transition from school to work and how, in turn, the "children" increase their lifetime earnings. This has particular application to New Zealand at the moment, given its relative increase in highly skilled information-based employment opportunities. Parents will need to be both more aware of options for their children and more skilled as parents, to encourage the range of creative experiences that will help their children keep abreast of a changing world.

4.2.9 Families also receive benefits, many of which flow on to society at large. The benefits for society include:

- people having a stronger understanding of culture and language
- more fulfilled parents, and mothers who have some choice and control over their lives
- increased women's participation in the paid workforce
- stronger family units because the family has found some extended family substitutes which can provide support and guidance
- the setting up of community networks and the carrying out of community work
- community education opportunities, often at minimal cost to the taxpayer
- increased paid employment opportunities which could decrease unemployment and be advantageous to overall government spending if the jobs go to those who would otherwise be drawing the unemployment benefit.

4.2.10 It could be argued that some of these items are benefits which the child enjoys and, therefore, state support is unnecessary. But, even if this is so, children are not producers and they do not receive any individual economic benefit from their early education and care. It is not possible to ask them to share in paying the costs. Further, not all parents are willing or able to meet the costs on their behalf.

4.2.11 We believe that the overall benefits to society are considerable from early childhood care and education. Many of the gains just mentioned are enjoyed by people outside the immediate circle of the child and family, and both the economic and social benefits can enrich the community. At a basic level, a major benefit from early care and education is the preservation and passing on of our culture. The ability to talk and communicate, to share ideas, to interact on the basis of common understandings and trust is the ultimate tie that bonds us all together as a society. Education is a vital part of that bonding. It could be claimed that this cultural embedding could occur by other means, but the research evidence we have drawn upon in this section demonstrates conclusively that good early childhood care and education improves the efficiency and effectiveness of this process.

4.2.12 Without an enriching and empowering environment for our children and their parents and/or whanau, society is impoverished and we all suffer. Early childhood care and education is *education to be more*: for children, families, whanau and society to be more than what they are now.

4.3 Costs and Benefits

4.3.1 In Appendix 2 a matrix is set out which summarises the main costs and benefits associated with early childhood care and education. Each list should not be read as a separate entity. Everyone receives the benefits—and there are usually both short- and long-term benefits to be received simultaneously from early childhood care and education experiences.

5: The Characteristics of Good-Quality Services

5.1.1 What works best for children and parents is what matters in early childhood services. Only good-quality care and education works—and only this produces the benefits we outlined in the previous chapter. The identifiable characteristics of good quality are:

- appropriate staff:child ratios
- appropriate group size
- appropriate caregiver qualifications
- curriculum planning and implementation that is developmentally appropriate
- te reo Maori and tikanga Maori
- consistent care and education—that is, low staff turnover
- a partnership between the early childhood service and the parents or whanau
- a safe and healthy environment
- a close relationship with the community.

5.2 Staff:Child Ratios

5.2.1 Research and experience show that children under two years of age require more adult attention—in whatever early childhood setting.

5.2.2 Good ratios provide opportunities for effective child-adult contact and interaction. Such interaction happens through social games, conversations, physical contact, finding out about objects, and acquiring a sense of security and self-worth. Adults act as go-betweens for children's contact with the social and physical world—the more adults there are, the greater the opportunities for children of seeing, understanding and developing.

5.3 Group Size

5.3.1 Smaller groups are a key element in encouraging a positive approach by caregivers, which in turn helps develop positive relationships amongst children. For example, children in small groups tend to converse more, have more elaborate play, and be more positive, self-aware, and secure.

5.4 Caregiver Training

5.4.1 Appropriate training and the development of knowledge and skills means that caregivers will have a greater understanding of children and how they develop. More specifically, caregiver training can result in more effective planning of programmes for a session, a more helpful approach to children, more comforting behaviour, more time with children, better constructed and

more developmental play, and a greater ability to encourage positive interaction between children.

5.4.2 Not just anybody can provide good-quality early childhood care and education. But the skills required may come from a variety of sources, not necessarily from a tertiary institution course.

5.5 Developmentally Appropriate Curriculum Planning & Implementation

5.5.1 The curriculum in early childhood services can be both explicit and hidden. Staff need to assess children's developmental stages, and then plan integrated programmes which foster the all-round development of individual children as well as challenging the whole group, if children are to benefit fully from early childhood services. Without dominating the children's activities, the adults should guide the play and consciously enrich the children's language. A clear curriculum philosophy, staff discussion of programme plans and systematic evaluation are essential for attaining good-quality early childhood services.

5.5.2 Recent initiatives to identify the essential elements of an appropriate early childhood curriculum for New Zealand have resulted in a set of principles which provide guidelines for curriculum development and implementation.

5.6 Te Reo Maori and Tikanga Maori

5.6.1 It is essential for Maori children to have access to their language and culture; and it is important for non-Maori children to appreciate the bicultural nature of New Zealand society. Te reo Maori and tikanga Maori must be incorporated in early childhood services in order to provide the basis for bicultural development and mutual respect.

5.7 Consistent Care and Education

5.7.1 Developing secure relationships is an important part of a young child's development. There is clear evidence that a substitute caregiver does not weaken or replace the attachment of children to their parents. However, stable caregiving is important: inconsistency and instability can detrimentally affect children's social and physical competence and confidence, and their sense of self.

5.8 Partnership with Parents or Whanau

5.8.1 Parents should be involved in the design and management of early childhood services—and all early childhood services should operate as a partnership between the parent/whanau and the service in order to ensure that all the adults involved relate to the child in a consistent way. Pacific Island language nests provide an excellent example of bringing up children in a collaborative manner.

5.9 Safe and Healthy Environment

5.9.1 There must be a clean and safe environment. This means safe outdoor play equipment as well as safe accommodation: outdoor space and access to the natural environment are important. Close attention must also be given to standards of hygiene to minimise the risk of cross-infection.

5.10 Close Relationship with the Community

5.10.1 Early childhood services do not work in isolation: they act as a mid-point between the home and the community. They provide an excellent opportunity for children to explore the world and find out how their local community works. Parents can tune into other networks such as toy libraries or the Plunket Society. The result is an easier transition for children from the nuclear family to wider society—including school.

6: The Roles and Responsibilities of Government & Community & Family

6.1.1 We believe that there are clearly identifiable areas of responsibility for early childhood care and education at the family level, at the community level, and at the government level. These areas of responsibility are interrelated. It is necessary for each level to carry out its responsibilities adequately, or the system as a whole will not function well.

6.1.2 An adequate level of early childhood care and education is necessary for the rights of children to be provided for, and for the continuation of a healthy society. This means that all members of society, whether or not they have young children or any children at all, have an interest in ensuring that early childhood care and education is provided in a way which maximises the interests of children, as well as those of society.

6.1.3 The family or whanau is the main focus of early childhood care and education. However, some of the essential features of care and education services for young children are beyond what families can reasonably be expected to provide. Individual families cannot be expected to acquire all the skills and knowledge needed to provide a range of services. They cannot gather and analyse all the information about developing new services: nor can they afford the full cost of service provision. The active assistance of the community and the government is required to ensure that the interests of children—and therefore of society—do not suffer. It need not follow that government should become an early childhood care and education provider itself: its role is simply to ensure that appropriate early childhood care and education *is* provided.

6.2 The Family

6.2.1 The primary responsibility for young children lies with the family or whanau unless a court has directed otherwise—and within families, this responsibility is taken by the parents or by other family members. But for families to carry out their responsibilities well, they must be able to receive assistance from an appropriate range of services. Some families may be capable and willing to meet all their early childhood care and education needs themselves, but it is important that all families have the choice between meeting their own needs and using outside support.

6.2.2 It is important also to remember that most children's primary caregivers are women and their interests need to be balanced against those of the rest of the family, including those of the children. At the same time, however, it is in the interests of both families and society for women to be able to choose the extent to which they will be directly involved in providing care and education for their pre-school children.

6.2.3 Families are also responsible for ensuring that each child has access to his or her own culture and language. Participation in early childhood care and

education services is a valuable source of assistance in this. The opportunity for parents or other family members to gain access to their own culture and language is as important as the opportunity for their children to do so.

6.3 The Community

6.3.1 Community—as a concept—can be defined in various ways. We take "community" to mean more than a collection of families with young children living in a defined area: it includes everyone living in a locality (the definition of which may vary between towns, cities, and rural areas).

6.3.2 The most obvious primary responsibility of communities is to support their members in a way which responds to identified needs. Where the needs of the members cannot be met from within the community, then another community responsibility is to communicate those needs to a more able or expert group, often the government.

6.4 The Government

6.4.1 We have identified areas of responsibility which cannot reasonably be filled at either the family or the community level.

6.4.2 The government needs to acknowledge that neither families nor local communities can meet the full cost of providing early childhood care and education services. It needs to help meet the costs.

6.4.3 Another government responsibility is to provide the legislative framework to set down acceptable standards. It should also meet the costs of training people who work with young children, provide an adequate advisory structure to support service providers, and monitor standards. It also needs to take on a facilitating role within communities to encourage services to change with the social and economic changes in society, and to help new providers to establish themselves.

6.4.4 As well, the government has clear responsibilities under the Treaty of Waitangi to ensure that appropriate and adequately resourced early childhood services are provided for Maori people, in order to foster Maori language and culture.

6.4.5 Finally, only the government can plan for the provision of early childhood care and education. Its neglect of this responsibility in past decades is apparent in the unevennes and inequities of current services: this government's willingness to shift from an ad hoc to a planned approach is welcomed.

Existing Situation & Current Problems

7: What We Have

7.1.1 The overall development of early childhood services has been unplanned, with a strong reliance on community initiative. The growth of services is intertwined with society's changing expectations of the role and position of women (as caregivers), and with the survival of the Maori culture and language. More recently, too, Pacific Island communities are identifying and initiating their own services.

7.1.2 While education and care services for children under six have taken a range of forms in New Zealand, they have been essentially monocultural. They have also shown a restrictive view of women's lives, and consequently a narrow definition of the family.

7.1.3 There is now a greater understanding of the need to give equal weight to the needs of the child, the parent (usually the mother) and the continuity of the culture, in the organisation and funding of early childhood services.

7.2 The Services

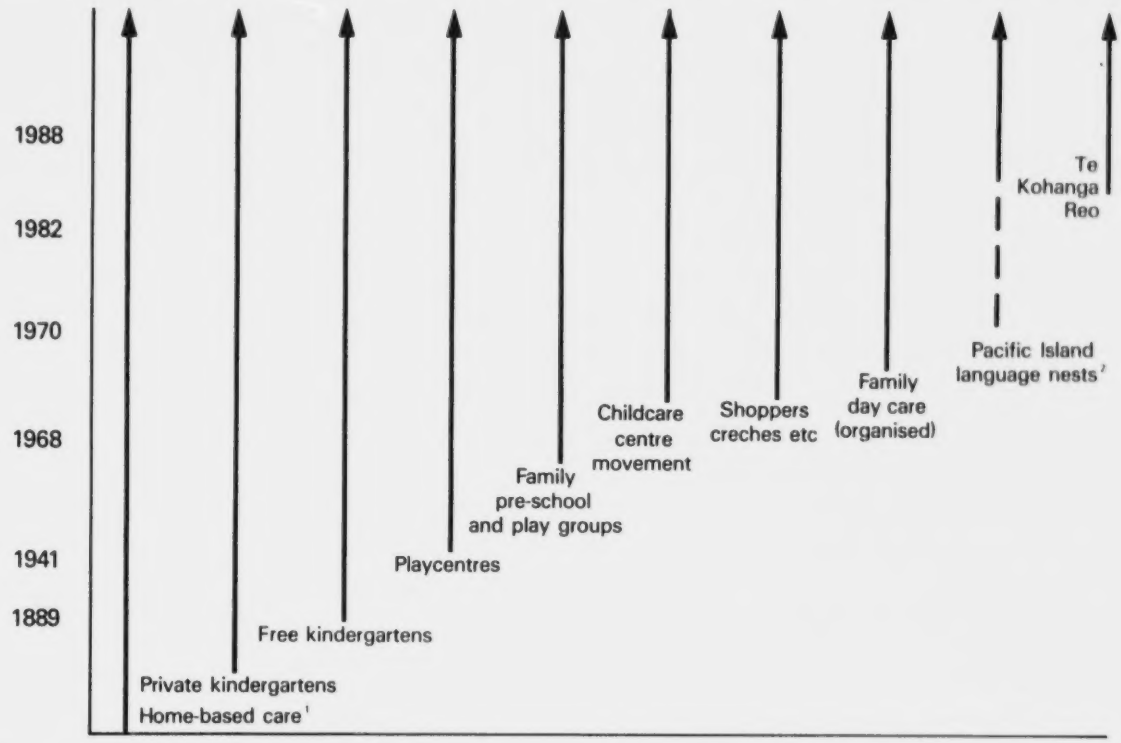
7.2.1 There are approximately 2,700 centres offering early childhood care and education in New Zealand and numbers are increasing—particularly those of Pacific Island language nests, and childcare centres which offer flexible hours and methods of organisation.

7.2.2 These 2,700 or so centres reflect the efforts of over 20 different types of early childhood services. Most have developed from individual and community efforts. With two exceptions (see below), the government does not provide services directly.

7.2.3 The main providers of early childhood care and education are:

- informal home-based caregivers
- the New Zealand Free Kindergarten Union
- the New Zealand Playcentre Federation
- childcare centres, which are organised and administered by voluntary community organisations or by private enterprise
- Te Kohanga Reo
- voluntary organisations—primarily Barnardo's—which provide home-based family day care schemes
- Pacific Island language nests
- private fee-paying kindergartens
- the Department of Education (through pre-school classes in primary schools and the Correspondence School's early childhood section)
- local authorities (through the provision of family day care schemes, childcare centres, subsidies for childcare salaries, shoppers creches).

Figure 1: Stages in the Development of Early Childhood Services in New Zealand



Note: [1] Informal, privately organised home based care has always operated.
[2] Dotted line represents existence of one "language nest" which operated in Tokoroa.

7.2.4 In addition, there are informal and community-based playgroups which receive some resource funding and support from community pre-school workers; special needs centres such as the pre-school services run by the Crippled Children Society and the IHC (the Society for the Intellectually Handicapped); mobile kindergartens; and private schools' pre-school classes.

7.2.5 There is little employer-provided childcare in New Zealand—and that which does exist is vulnerable to the vagaries of the labour market. Centres may be opened when employers need workers and closed when there is no shortage of labour.

7.2.6 More detailed information on services is to be found in Appendix 3.

7.3 The Use of Services

7.3.1 Table 1 shows the number of children attending different early childhood services. While kindergarten has the largest number of children attending, numbers at playcentre and childcare are almost equal to each other and, together, their rolls equal those of kindergartens.

7.3.2 Attendance at early childhood care and education centres is voluntary, unlike compulsory schooling for children 6 to 15 years of age. The amount of time a child spends at a centre can vary from 2 hours to 45 hours a week. It can

also vary by the number of weeks per year: most follow the school year, but some children attend for 50 weeks.

Table 1: Number of Children Enrolled in Early Childhood Services at 1 July 1987[1]

SERVICE	NUMBERS OF CHILDREN
Free kindergartens	42,729
Playcentres	23,199
Childcare centres[2]	20,257
Informal/community centres (including Pacific Island language nests)	10,204
Nga kohanga reo	9,600
Primary schools (pre-school classes)	1,884
TOTAL	107,873

Notes: [1]All figures are for actual attendance on 1 July 1987
[2]Attendance for more than 4 hours, includes Crippled Children Society and IHC pre-schools

Source: Department of Education, Research and Statistics Division

7.3.3 A NRB (National Research Bureau) survey commissioned by the working group showed a similar pattern of use of services. It identified, however, a high (14 per cent) use of informal home-based care arrangements.

7.4 Funding of Services

7.4.1 Services are funded in various ways, some by central government. Voluntary organisations, local authorities, parents, and charitable trusts also contribute to funding.

7.4.2 The government provides approximately $98 million towards early childhood care and education services.[1] Most of the $98 million is from Vote: Education, although almost $13 million of it comes from the Department of Maori Affairs for nga kohanga reo and another $7 million (approximately) from the Department of Social Welfare as a means-tested fees subsidy for parents of children attending childcare centres, nga kohanga reo, or family day care.

7.4.3 Of the $71 million or so specifically allocated to early childhood care and education in Vote: Education, the bulk (69 per cent) goes to kindergartens—which are closest to being a fully funded service.

7.4.4 Table 2 gives a breakdown of Vote:Education funding specifically allocated for early childhood services.

[1] This figure has been calculated from several sources. Apart from monies from Vote Maori Affairs and Vote Social Welfare, it consists of an estimated $2.1 million from Vote Education Programme One (Administration and General), and $71.4 million from Vote Education Programme Two (Pre-School Education). It also includes an estimated $4.6 million in tax rebates given to parents whose children attend childcare. It does not, however, include the funding of (30) pre-school classes in schools, the Correspondence School's early childhood services, or the costs of early childhood pre-service training.

Table 2: Specific Vote:Education Expenditure on Early Childhood 1988/89

SERVICE	EXPENDITURE ($M)
Free kindergartens	49.285
Playcentres	3.251
Other pre-school agencies	1.480
Childcare services	10.408
Buildings	2.766
Administration	4.232
TOTAL	71.422

Source: *Estimates of Expenditure for the year ended 31 March 1989* p 58 (Vote Education Programme Two)

7.4.5 Apart from receiving outside funding, services are also subsidised through the use of voluntary labour and donation of materials. Such "subsidies" form a significant part of the funding and support of early childhood services. Playcentre and nga kohanga reo are obvious examples of this; and childcare centres and Pacific Island language nests also often rely on unpaid input.

7.4.6 In the following sections, we look at how each of the main types of early childhood care and education are funded by the government.

Kindergartens

7.4.7 In comparison to other forms of early childhood services, the kindergarten movement receives considerable government funding. This funding[1] consists of:

[1] Rates are as at 1 April 1988.

- an administration grant of $548.26 per kindergarten
- an operating (sessional) grant of $10.88 per session
- a special group grant of $76.10 per group
- a building maintenance grant of $7 per square metre
- special needs funding to the NZFKU (New Zealand Free Kindergarten Union) of $35,010 per year
- an administration grant to the NZFKU of $12,050 per year
- funding to cover teachers' salaries (which accounts for about 85 per cent of funding allocated to kindergartens)
- funding to provide professional support to kindergarten teachers.

As well, the government pays for kindergarten teacher training.

7.4.8 Parents are not charged fees, but are asked to give a regular donation towards the operating costs of their particular kindergarten.

Childcare Centres

7.4.9 Since 1986 there has been some increase in the funding of childcare centres. As part of the policy for improving the quality of early childhood services through the provision of trained staff, the Department of Education pays grants-in-aid for trained supervisors and assistants in licensed childcare centres, and for staff enrolled in recognised training courses. These grants-in-aid currently meet approximately 40 per cent of salaries of trained staff but are paid out retrospectively (three times a year) rather than in advance.

7.4.10 The government does not automatically adjust grants to correspond with increases in award rates: it makes irregular adjustments only.

7.4.11 Nearly half the staff in childcare centres attract no salary grant whatsoever.[2] Because of the growing numbers of centres and the limited availability of trained staff (to which grants are tied), this trend is increasing.

[2] J. Kerslake (1987) *Childcare Workers Qualifications and Training* Department of Education Research Report Series No 46

Te Kohanga Reo

7.4.12 The $13 million allocated to nga kohanga reo is divided evenly by the national Te Kohanga Reo Trust among the approximately 520 kohanga reo.

Each kohanga reo receives an initial establishment grant and then an annual grant for continuing costs.

Non-Profit-Making Pre-School Groups

7.4.13 Sessional grants are available on an annual basis to a limited number of community-based non-profit-making pre-school groups which are in general not eligible to receive any other form of government funding. As many groups as possible are recognised each year within the finance available—although the fact that the amount of money available in any one year is limited means that if there are more eligible groups than there are grants available, then some group will miss out entirely. Highest priority is given to groups in areas without other government-supported early childhood education services, and priority was given to supporting Pacific Island language nests in 1988.

7.4.14 To be eligible to be considered for funding, groups must meet agreed criteria. Recognised groups are entitled to receive sessional grants for the year—that is, an operating grant for each approved session held, with the rate depending on the size of the group.[1]

[1] $26.11 per session for groups of more than 20 children, $20.54 per session for groups of up to 20 children (in the 1988/89 year)

7.4.15 A pool of equipment, and the services and support of the department's early childhood officers, are available to non-profit-making groups. Groups experiencing particular hardship may apply for extra assistance from a special needs fund.

Playcentres

7.4.16 The playcentre movement currently[2] receives the following government funding:

[2] Rates are as at 1 April 1988

- liaison grants (for administration costs of regional associations of playcentres) of $680.49 per playcentre
- operating grants (for general expenses) of $20.54 per session where there is up to 20 children, and $26.11 per session where there are 20 or more children
- setting-up grants for new centres of $1,083 per centre (these are non-recurring grants)
- an administration grant for the New Zealand Playcentre Federation of $46,400 per year
- training grants of $604.23 per centre
- a special needs fund of $29,390 per year
- building-maintenance funding of $7 per square metre.

7.4.17 Grants are augmented by fees paid by parents: these vary between centres.

Family Day Care

7.4.18 When family day care funding was reviewed in 1985, it was agreed that funds would be provided through a project grant of $15,000. At that time this was 25 per cent higher than a "typical" grant to a childcare centre. Since

then, grants towards childcare centres have risen by 85.5 per cent, but project grants to family day care schemes has increased by only 41.2 per cent—so that family day care funding has fallen behind.

Capital and Other Costs

7.4.19 The Department of Education provides 80 per cent of kindergarten construction (capital works) costs; 20 per cent is met by the kindergarten establishment committee or association. In areas of special need, the government (through the department) pays the full cost of capital works. Sites are provided by the government. Only a small number of new kindergartens—currently five—are approved each year.

7.4.20 For playcentres, the same pattern of funding applies. Playcentres can also claim subsidies for renovations to existing buildings under two different schemes: this stretches their capital grants further so that more playcentres may receive capital funding for capital works than is initially apparent.

7.4.21 Community-based non-profit-making childcare centres can apply for an establishment grant, with a maximum of $20,000 available per centre. However, the total departmental allocation is currently restricted to $273,000. Because of the limited amount of establishment-grant funding, such "seeding finance" is limited to an average of $5,000 per group.

Other Sources of Funds

7.4.22 In order to meet their costs, many groups apply for additional funding from other sources. For example, the Community Health Initiatives Funding Scheme (CHIFS)—a scheme which supports health-related community development projects—has received a considerable number of applications for funding early childhood community initiatives such as new mother support groups and playgroups. Approximately one-third of their allocation over the past three years has been to assist such projects.

7.4.23 The Ministry of Women's Affairs' Project Fund and the Department of Social Welfare's Community Organisation Grants Scheme (COGS) also receive numerous applications for financial support from early childhood groups.

7.4.24 In addition to the specific funding schemes mentioned above, the Department of Social Welfare and the Department of Health provide indirect financial assistance to early childhood care and education. Details of this assistance are given in Appendix 4.

7.5 Administration and Overall Policy Direction

7.5.1 Until 1986 there were two principal departments involved in early childhood services—the Department of Social Welfare and the Department of Education. Their separation of responsibilities was based on a distinction perceived between care and education. The role of the Department of Social Welfare was to administer the regulations for childcare centres and to assist "non-functioning" families. The stigma of being associated with help for non-

functioning families never really left childcare. Childcare was the "poor relation" of the pre-school services funded by the Department of Education.

7.5.2 There has, however, been an increasing understanding that care and education are inseparable for the young child and that certainly the needs of children and their parents do not differ by virtue of their attending different services. A change towards greater cohesion and co-ordination was implicit in the transfer of the administration of childcare services from the Department of Social Welfare to the Department of Education in July 1986. This move also heralded a philosophical shift by the Government and a recognition that early childhood care and education should have an educational and therefore a developmental emphasis. (The Department of Social Welfare, nevertheless, continues to play a key role in the development of early childhood policy.)

7.5.3 Since its formation in 1986, the early childhood division of the Department of Education has focused on developing key policies for the early childhood sector. In summary these are:

- encouraging early childhood education providers to be more *flexible* in the service they give
- supporting *community initiatives* which provide greater access to early childhood services
- promoting the importance of *high-quality* early childhood services
- developing and implementing an *integrated training scheme*, both pre-service and field-based
- developing a *developmentally and culturally appropriate curriculum* for children under the age of six years
- developing new *parent information* resources
- increasing the numbers of Maori early childhood education officers as a direct result of an affirmative action employment programme based on a *commitment to biculturalism*
- developing *co-ordinated in-service training* support
- promoting *co-ordination* between services
- developing a *planning base for policy initiatives*
- developing *professional support systems* for early childhood services.

7.5.4 Thus the early childhood division is closely involved in co-ordinating, planning, and improving the quality and accessibility of services—and the government has recognised the value of its initiative by allocating extra resources during the past three years. Despite this, there are still major problems in these initiatives being truly effective: the next chapter in this report identifies some of the reasons why.

8: Why We Haven't Got Further

8.1.1 There are five key areas which the working group has identified as needing immediate improvement. These are:

Status

8.1.2 This needs to be raised in order to remove the variation in quality of services, salaries/wages, and training.

Equity of Access

8.1.3 This needs to be improved for consumers—both children and parents. Equity of access also implies responsiveness on the part of services, something which is not always evident in the current system.

Tangata Whenua

8.1.4 The importance of Maori determination and Maori control over services for their own children needs to be recognised.

Status of Women

8.1.5 There has been a strong connection between the high involvement of women and the low status of the early childhood care and education sector.

Funding

8.1.6 The funding structure is uneven and inequitable. In addition, the total amount of funding is too low.

8.1.7 As well, the administrative environment has provided little opportunity for overall planning and co-ordination, or for frameworks for policy development to be pursued as effectively as desired.

8.1.8 There is no question that these key areas are interconnected. Over the next few pages, however, we will comment separately on each as a way of identifying where improvements need to be made within them.

8.2 Status

8.2.1 The low status of the early childhood care and education field is obvious. The wages of staff, the emphasis in the Child Care Centre Regulations and the Kindergarten Regulations on physical conditions rather than the educative characteristics of good-quality care and education, and the very status of the early childhood division within the Department of Education are indicators of the low status of the field.

Pay Rates

8.2.2 Salary and wage levels for early childhood workers clearly reflect the belief that the care of children is not considered "real" work and therefore

requires no payment. The high level of voluntary input into early childhood care and education services is seen as a continuation of the same philosophy. For example:

- Women at home with pre-school children "earn" $6 a week through the child family benefit. Some may also share their partner's wage, or be receiving a domestic purposes benefit.
- Family day care caregivers earn $2.50 an hour per child, up to a maximum of $4,400 a year.
- Playcentre supervisors receive an honorarium of $5-$15 a session for 3 sessions a week—an income of $600-$1,800 a year.
- Childcare centre staff earn on average $15,000 a year (trained) and $12,500 a year (untrained).
- Kindergarten teachers earn an average salary of $27,000 a year.
- Nga kohanga reo kaiako receive koha and may be paid up to $15,000 a year. The majority of full-time kaiako receive koha only.

Note: There is considerable variation in payments in the early childhood sector because the non-formalised nature of the sector makes it impossible to be sure how many people get which number of dollars.

8.2.3 The early childhood teacher earns considerably less than her equivalent in the compulsory education sector. Comparable average salaries are: for primary school teachers $33,500 a year; and for secondary school teachers $41,000 a year.

8.2.4 It is useful to observe the impact that minimal financial reimbursement or low wages can have. For example the New Zealand Playcentre Federation, which has based its operation on the philosophy of mother/caregiver involvement, is now finding a shortage of caregivers able to volunteer their time. The federation made a strong plea (at its 1987 and 1988 conferences) for staff to be funded so that it can continue to provide essential early childhood services.

8.2.5 The wages of most childcare centre staff are very low. As a result, most recruits are young people who may only stay a short time—until they find more lucrative paid work. This rapid turnover of staff means that children do not have consistent care and education, which was a feature mentioned earlier in this report as an important characteristic of a good-quality service. Low wages are unlikely to attract good calibre staff.

Training

8.2.6 Low wages can also mean that few staff have the level of skills and knowledge—often provided by training—which is required for effective programme development. This puts considerable strain on senior staff in centres—and, in turn, increases the chances of such valuable people leaving.

8.2.7 Although the Department of Education provides grants for trained staff and in-training grants, there is a shortage of trained staff. Centres do not attract the grant without the trained staff—and, without the grants, the parents' costs inevitably increase.

8.2.8 A policy of encouraging trained staff is essential to improving the quality of early childhood care and education. Research shows that specialised caregiver training is a powerful factor in creating early childhood services that work well and give the best results for the children attending them. To bring about the desired level of quality, adults at early childhood care and education centres should have skills in:

- planning a culturally appropriate curriculum
- implementing developmentally appropriate programmes which are non-sexist and non-racist
- interacting with children both verbally and non-verbally
- creating an environment of trust which fosters a partnership with parents and/or whanau
- te reo Maori and tikanga Maori
- fostering language acquisition and development
- encouraging non-violent ways of interacting
- observing children—especially those with developmental delay—and meeting their educational needs
- working as a member of a team, and understanding the management requirements of the centre.

8.2.9 Training may take place in a number of ways, including the newly established three-year integrated early childhood training course at teachers' colleges. In the short term, however, there are difficulties: the funding for training is decreasing in real terms and this means that fewer trainees can be accepted.

8.2.10 Disparities in pay for different types of workers in early childhood care and education will also have an effect. Unless changes are made, the 90 or so graduates from the integrated training course at teachers' colleges who enter the job market in 1991 are going to start work in an environment where kindergarten teachers get paid more than childcare workers, even though they all do essentially the same work. The inducement will be to work in kindergartens, reducing the number of other trained childcare workers still further.

Status of the Early Childhood Division

8.2.11 The status of the early childhood division within the Department of Education is itself a comment on the status of the whole field. The division has not been able to negotiate its needs and policies directly—instead it has to work through three levels in the hierarchy. Inevitably, much gets lost in the translation from one level to the next.

8.2.12 The low status and lack of voice for early childhood care and education at the top decision-making levels within the department have made it vulnerable when government spending has been cut back. For example, the three per cent cuts of the early 1980s reduced by half the number of community pre-school workers—one of the few sectors of early childhood support oriented towards community development.

8.2.13 As well, salary levels for district early childhood education officers are at a lower determination than their colleagues in the primary and secondary sectors. This is despite recommendations for improvements in salary scales from working parties such as the 1980 report of the State Services Commission Working Group on *Early Childhood Care and Education.*

8.2.14 Inadequate funding to the sector as a whole, coupled with the low status of the early childhood division, has made it difficult for people in early childhood care and education to achieve priorities such as better training and more equitable funding of services.

8.3 Equity of Access

8.3.1 There are over 20 different types of early childhood services in New Zealand. Approximately 90 per cent of 4-year-olds and 40 per cent of all children under 5 years of age attend an early childhood service.

8.3.2 This sounds good—but a diverse range of services does not necessarily equal choice. The services may offer variety, but their differences in funding levels, their differences in quality, and the lack of overall planning and co-ordination does not produce choices for parents. In reality, services are simply not available at affordable prices where they are needed.

8.3.3 Kindergarten is cheap for parents, but the constraints are those of age limits, the sessional structure, and the number of hours kindergartens are open each day. Playcentres —because they rely on parent involvement—cannot provide the "time out" component needed at times by parents. Childcare services, on the other hand, are often too expensive for many families and too uneven in quality. Organised family day care is difficult to obtain or organise out of city centres. Shoppers' creches are established only in some places and are usually dependent on whether or not the local authority is involved in providing childcare services. Coverage for all types of early childhood care and education is inconsistent in rural areas, and for children with special needs.

8.3.4 Ensuring equity of access involves several factors:

- the age of the child
- the affordability of services
- the responsiveness of service providers
- the location of services
- the hours that services are open.

Age of Children

8.3.5 As mentioned earlier, about 90 per cent of 4-year-olds —and 40 per cent of all those under 5—attend an early childhood service. But even some four-year-olds, particularly those in newly developed areas, cannot gain access to early childhood services. And at younger ages, there is more likelihood that children may miss out on complementary early childhood care and education. There is currently, for instance, a shortage of places for children under two and a half. Services for children under two are expensive: the children are more

dependent and require greater attention and support, with consequent higher staff:child ratios. However, the trend for increasing numbers of women with very young children to seek complementary care and education is likely to continue.

Affordability of Services

8.3.6 Some early childhood services are relatively cheap to the consumer, while others are expensive. Kindergarten is the cheapest because it is essentially paid for by the state, although there is still some parental and community contribution. Playcentre is relatively cheap since a large amount of cheap labour is provided. (However, the days of the voluntary nature of the playcentre movement may be coming to an end.) Organised family day care is reasonably inexpensive because the payment to the caregivers is low.

8.3.7 Childcare centre services are generally the most expensive, but even then low wages mean they are run at minimal cost: their staff are essentially carrying the costs of providing a social service. At between $100-$130 a week for full-time city-based childcare, some centres—despite having long waiting lists—are losing children when the parents find that the fees are too high for them to pay.

8.3.8 An income-related subsidy for childcare fees from the Department of Social Welfare helps to meet some costs. But at a weekly maximum of $26 per child (unless there are exceptional circumstances) it covers only about 20–25 per cent of what the parents pay in fees—and parents often cannot bridge the gap. The forms are difficult and complex to fill in, and the payments are retrospective and often late. As a result, the subsidy is under-used and the Department of Social Welfare allocation was not fully spent last year.

8.3.9 Since the subsidy's introduction in 1972, fluctuating policies have seen it used in an unsatisfactory stop-go fashion which has affected the viability of some childcare centres. It is the centre that bears the costs of the subsidy to the parents until the department eventually refunds the centre. Most centres are marginal ventures, and so delays can result in closures.

8.3.10 Problems with the affordability of services mean that parents are facing difficult choices in their childcare arrangements. They often opt for multiple care situations—frequently using informal care—against their wishes or the best interests of their child.

Responsiveness of Service Providers

8.3.11 Existing policies are highly inflexible and this has resulted in a lack of responsiveness to an often pressing demand for services.

8.3.12 An example of this is the long waiting list for new kindergartens contrasted with the small number of kindergartens (currently five) able to be built each year. The demand for a kindergarten at any one time is immediate and real. A delay means that the children who need the service are often at school by the time the kindergarten is built. Inability to meet immediate needs was shown up clearly in Whangarei, at the time of the Marsden Point Refinery expansion. There was a well documented need for early childhood services in the

area. Because of existing waiting lists in other communities, a kindergarten was not built until the workforce and their families started leaving.

8.3.13 In other communities, by the time the kindergarten is built the service needed by parents and pre-school children has often changed from sessional care to, for example, full-day care and education.

8.3.14 Current policies are far too specific, and money cannot be moved from one early childhood policy area to another. Rigid policies tend to produce rigidities in the provision of services. This can be seen from the difficulties involved in servicing the needs of children under two and a half years of age. Even though it has been widely acknowledged that playcentres were catering for those under two and a half years, the Department of Education has been unable to provide playcentres with the appropriate additional assistance until very recently.

8.3.15 As well, a monocultural perspective has—until recently—dominated the funding of early childhood services. It has taken, for instance, 16 years before substantial funding was provided for services specifically relevant to Pacific Island people.

8.3.16 At present the related services of health, education and welfare are fragmented, with co-ordination too often being left to the initiative of individuals within the respective services. Also, attempts at creating greater flexibility by co-ordinating services on one site have not succeeded because of the variety of regulations for each service and the inflexibility of those regulations. But there is a need for such developments. In Queenstown, for example, tourism development brought significant social change and stress to families. There were attempts to use the local playcentre inappropriately to provide full-time childcare and education.

8.3.17 In new housing areas—which have limited facilities—there are fundraising activities being undertaken by playcentres, kindergarten and childcare groups to establish separate services, when it is obvious that co-ordination is required.

8.3.18 Some services are trying to meet community needs more accurately. This is happening slowly, against considerable odds, but there is no guarantee of success because it is taking place in a considerable policy and funding vacuum.

8.3.19 What is needed is a planned development of services, based on an accurate assessment of community needs, with the knowledge that funding will be available to establish appropriate services as required.

8.3.20 The first survey of community needs, sponsored by the Department of Education, is about to take place. It is important that this precedent is built upon and becomes a regular procedure.

Location and Hours of Opening

8.3.21 Services are needed at places where people can get to them and for hours that suit. With the current system of funding and support this cannot be guaranteed, and the need may not even be identified except by the caregiver herself. People, however, tend to ask for what they know and expect.

8.3.22 This is borne out by the working group's NRB survey which showed that:

- 52 per cent of people would like a morning-only facility
- 18 per cent would like an afternoon-only facility
- 10 per cent would like an all-day facility
- 10 per cent would like a service during school hours.

8.3.23 Maori people expressed a preference for facilities which were open during school hours, while Pacific Island people preferred all-day services.

8.3.24 The NRB survey is probably the only survey in which people have said they would like a service to be open during school hours. This may be because nga kohanga reo are often open during this time. It seems that once possibilities are available, people begin to recognise opportunities and to consider that they may have the right to ask for them.

8.4 Tangata Whenua

He aha te mea nui i te ao?	What is most important in the world?
He tangata	It is people
He tangata	It is people
He tangata	It is people

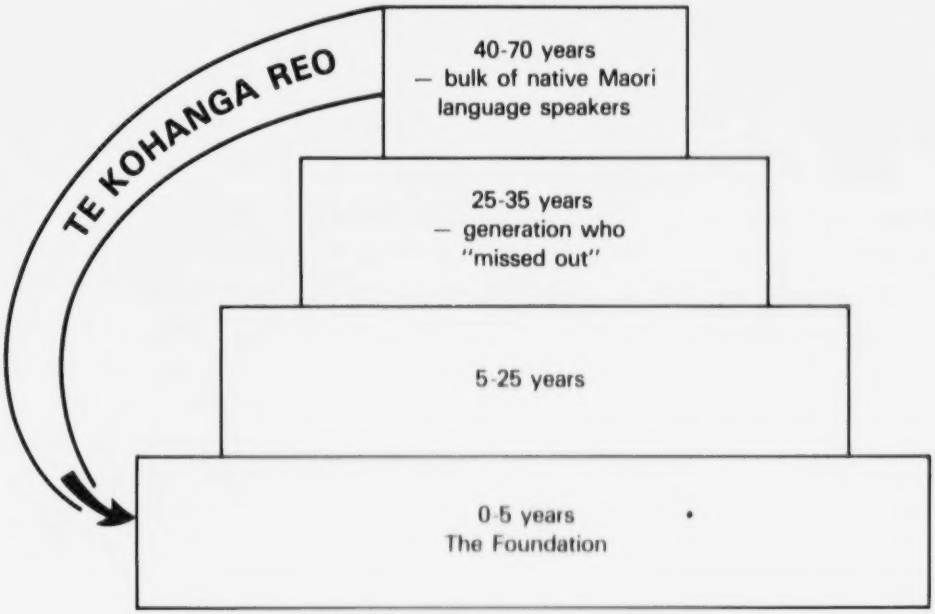
8.4.1 A renaissance in Maori culture, necessary for its very survival, has taken place during the past few years. Te Kohanga Reo has been a significant part of its movement. It is based on ensuring that the Maori language, the carrier of Maori culture, survives through immersing young pre-school children in the language. Nga kohanga reo have been able to develop because they were outside the compulsory education system and because Maoridom has had significant control over the service.

8.4.2 While nga kohanga reo provide an early childhood service—and indeed some are registered as childcare centres, a number drawing extensively on playcentre experience and expertise—they are nevertheless much more than that. It would be a mistake to view them simply as an early childhood service.

8.4.3 Maori people have, over the years, been involved in whanau playgroups and playcentres, but the rapid revival of Maori culture indicated that something more relevant and appropriate was needed. Nga kohanga reo highlight the holistic nature of effective early childhood services, and show the mutually supportive role that is possible between the whanau, the service and the state. This development also emphasises the role that complementary early childhood care and education can play in establishing the cultural base for any community.

8.4.4 The issue confronting Maori people is how to ensure the continuation of their culture with only a small population of older people who are fluent speakers (see Figure 2). The ideal—which nga kohanga reo embody—is that these fluent speakers pass on their knowledge and skills to pre-school children, who are at their most effective learning stage.

Figure 2: Closing the Maori Language Gap



8.4.5 A review of nga kohanga reo is currently underway and will be reporting separately to the Government. Nevertheless, nga kohanga reo play such a vital role within early childhood care and education in New Zealand that we feel it is essential to comment upon it in our analysis. We consider nga kohanga reo to be one of the most exciting, developmental movements in New Zealand. It is based on choice, control and strong collective action and it incorporates a holistic view of life familiar to the early childhood sector.

8.4.6 We support Maori control over the development of nga kohanga reo. We also support the development of a partnership between the early childhood care and education field and kohanga reo, so that the early childhood service aspect of kohanga reo can be effectively acknowledged. In saying that, we do not expect the government to begin treating Te Kohanga Reo solely as an early childhood service.

8.4.7 Nga kohanga reo will need more funding to meet their costs. They currently rely on a strong voluntary contribution. According to the working group's NRB survey, on average 5.5 hours a week is given voluntarily to this enormous task of ensuring cultural survival. The very existence of the Te Kohanga Reo movement has thrown into relief several issues: the inequities in funding in the early childhood sector; the willingness of the Government to tackle issues connected with Maori language and not those affecting "working mothers"; and the inflexibility of current early childhood policies.

8.4.8 Maori people are voting with their feet in their involvement in kohanga reo, with the growth from one kohanga in 1982 to over 500 today. They are saying that the early years are vital, and that good-quality early childhood care and education—which in this case is based on the Maori language and culture—is the most effective start to life. The challenge is for the rest of society to

recognise that this is equally true for other forms of early childhood care and education and so to provide the necessary funding and structure.

8.5 Status of Women

8.5.1 We consider that women should have the right of choice and control over their lives. Availability of good-quality early childhood care and education services is a basic requirement. "Social policy for young children makes very little difference to the role of men. It is women who in our society, as in many others, are responsible for the care of children. Measures to promote the rights of children are frequently disguised ways of controlling the role of women."[1]

[1] G McDonald (1980) "Research, Children's Rights and Social Policy" in P Shannon and B Webb (eds) *Social Policy and the Rights of the Child* University Extension, University of Otago (Dunedin)

8.5.2 Even if society has not wanted to acknowledge it, women have always been in the paid workforce. Research shows that while women are entering and staying in the paid workforce in increasing numbers, they are frequently still carrying the responsibility for home duties and for organising early childhood care and education. The NRB survey bears this out—showing that 92 per cent of caregivers in households are mothers.

8.5.3 The growing number of women participating in the paid workforce, whether full time or part time, also reduces women's availability to contribute long hours as volunteers in early childhood services.

8.5.4 As more women remain in or return to the paid workforce—or choose other activities for themselves—more and more of them are using multiple care and education arrangements because of the lack of affordable services. "The reality is that increasing numbers of women are shopping around, often under stress, sometimes with money (sometimes without), but trying to package up a neat arrangement so that they can manage their own lives whether this be economically or for self-fulfillment, or both."[2]

[2] H M Cook (1987) "In the Interests of Whom: An Historical Perspective" in *Invitational Seminar on Multi Child Care Use* New Zealand Council for Educational Research (Wellington)

Women's Changing Needs

8.5.5 There is evidence that women leaving the paid workforce to have children accept lower-paid positions on their return. This is disturbing both at an individual level and at a national level. It indicates that structural changes are still needed to ensure that these women are making their decision on the basis of real choice, and that their skills can continue to be appropriately used. It is in the interests of both employers and the government to provide ways of retaining this workforce. Parental leave arrangements and the provision of adequate early childhood services are steps in this direction.

8.5.6 Family sizes are now smaller, and the nuclear family is less common. There is no longer a typical model of women's entry, exit and re-entry into the paid workforce. The pattern of the woman who leaves the paid workforce at the birth of her first child and who remains outside it for a period of at least five years before re-entering in a part-time capacity, is out of date.

8.5.7 The provision of early childhood services has not kept pace with the changing needs of women and their children. Women who participate in the paid workforce require access to education and care services for their children. These services need to offer flexible hours, be affordable, cater for the 0–5 age

group, and offer good-quality care and education. None of the services currently available meets all of these needs. Mothers and other principal caregivers have a right to time away from their children and to feel confident that the short- and long-term needs of their children are being met to the best of society's capabilities.

8.5.8 As well as the lack of appropriate services, there is an issue of affordability that is particular to women. While women are increasing their participation in the paid workforce, they are clustered in low-paid occupations. In 1986, nearly 66 per cent of all women and 72 per cent of Maori women had a total income of less than $10,000.[1] Such low incomes reduce women's ability to afford many early childhood services, and the predominant pattern is for women to pay for early childhood services out of their wages.

[1] A Horsfield (1988) *Women in the Economy* Ministry of Women's Affairs (Wellington)

8.5.9 If we acknowledge—as we clearly should—that the care and education of young children has traditionally been and continues to be the responsibility of women, and if we acknowledge that early childhood policies and services have been designed to help support the family, then we must accept that the reality of the changing lives of women should be incorporated into the design, funding and provision of services.

8.5.10 We see no reason why the needs of women and children cannot be taken equally into account in the design and funding of early childhood services—in the same way as Maori cultural survival has been seen as of equal importance to children's needs within the Te Kohanga Reo movement.

8.6 Funding

8.6.1 We became aware in our investigations that there is a proliferation of funding sources which provide some support for early childhood services. These include the Department of Social Welfare's Community Organisation Grants Scheme (COGS), the Department of Health's Community Health Initiatives Funding Scheme (CHIFS), Lottery Board money through the Department of Internal Affairs, and Department of Labour ACCESS schemes. As well, the Hillary Commission for Recreation and Sport has a play unit which publishes excellent resource material on how to provide a play environment for young children.

8.6.2 The Project Fund of the Ministry of Women's Affairs also receives requests for funding assistance for early childhood groups. Despite a clearly stated funding policy which excludes projects for which any other government funding is available, the fund received 7 applications for a total of nearly $11,000 (and another 25 enquiries) in the 1987/88 year. This follows the pattern of earlier years—and the fund's committee has noted the apparent lack of public funding available for early childhood care and education, even though it has been unable to help. Similarly, CHIFS receives many applications from community groups who wish to provide accessible and affordable care and education in a voluntary capacity, but these groups are ineligible for CHIFS funding.

8.6.3 The working party would *not* like to see only one source of funding for early childhood services. Community initiatives arise in a variety of ways and it is desirable that groups use their own endeavours in finding sources of funding. However, if groups primarily established to provide early childhood care and education received their main funding from the Ministry of Education, this could free the CHIFS and COGS schemes to allocate more of their funds to other community projects.

8.6.4 The fact that early childhood groups are applying to such a wide variety of funding sources shows that the financial base of the sector is under severe pressure. Some idea of the funding crisis now occurring in early childhood care and education can be seen in this excerpt from a submission to us: "... (our) childcare centre is facing imminent closure if it does not restore its roll to a viable level within 2–3 weeks. The fall-off in the number of children attending has been due largely to a higher than normal number of children leaving because their parents cannot afford full-time childcare ... despite a waiting list for spaces."

8.6.5 There is simply not enough money allocated by the government to pay for good-quality early childhood care and education. Nor is this funding equitable—with only one service, kindergarten, being reasonably well funded.

8.6.6 Some of the problems which result from the current levels and type of funding are identified below. The inequitable access to government funding has already been referred to. To give a more detailed indication of the concerns connected with funding, some specific issues are outlined for two important early childhood services: childcare centres, and playcentre.

Childcare Centres

8.6.7 An unpublished New Zealand Council for Education Research report from earlier this year[1] shows that individual childcare centres are funded primarily through parents' fees (approximately 65 per cent) with a small amount from government funding.

[1] "The Effects of Funding Policy on Childcare 1978–1988" (draft only)

8.6.8 Childcare centres are finding themselves serving a narrower range of families—two-income families—since others cannot afford the service. In comparison to the current cost of childcare, the limit for parent-income subsidies from the Department of Social Welfare is too low. Most centres now have few families receiving an income subsidy, because most of those who would be eligible cannot afford to pay the rest of the fees. The subsidy currently provides about 20–30 per cent of the cost of total care—this is 10–20 per cent lower than in previous years.

8.6.9 A child also has to attend a childcare centre for a minimum of 12.5 hours per week before its parents are eligible for the subsidy. This makes part-time care for less than these hours uneconomic for centres, even though this is type of care which people say they want.

8.6.10 As mentioned earlier, centres bear the cost of the subsidies to parents until reimbursed by the Department of Social Welfare. There are delays in reimbursement of between two and four months—centres cannot afford to carry the cost of the delay.

8.6.11 Establishment grants are available for non-profit-making childcare centres, but these are too few and too small to be of much help in setting up centres.

8.6.12 The Goods and Services Tax (GST) has had an adverse effect by nudging up the cost of running centres, often causing those running them to take out high-interest loans. This has resulted, in some cases, in making the cost of care and education too expensive for parents.

8.6.13 The grants-in-aid for trained staff are a popular initiative with centres as they provide direct financial assistance and at the same time improve the quality of care and education. They also act as a positive means of integrating care and education. But there are problems:

- The payment is retrospective (and is paid out three times a year)
- The payment for the staff member is 50 per cent of the first step of the award rate, which is too low to keep staff. The limited financial resources of childcare centres means that the wages offered are low, and so it is difficult to attract and retain quality staff.
- The availability of training places is not keeping pace with the demand for trained staff. The subsidy is not available if the staff are not either trained or in the process of being trained.

These are significant problems, given that—according to the New Zealand Childcare Association—wages make up approximately 80 per cent of the costs of childcare centres.

Playcentre

8.6.14 Within the playcentre movement there is a growing trend for mothers to enter the part-time paid workforce and to spread their involvement more thinly rather than moving out of playcentre activities entirely. But even with this continuing involvement at a reduced level, there are still not enough people to carry the administrative and organisational load. One playcentre has commented in desperation: "if only people could afford to be really involved in playcentre ...and not have to share themselves with other jobs, just to exist". And a similar comment from a playcentre in a small community: "many are involved in other voluntary work—it is exhausting but there are too few people available now. People are really pushed doing everything, from fundraising to maintaining the building—we wish we could afford a cleaner—it would leave us with more time for real playcentre activities". In some centres parents cannot afford the fees—so the centres "carry" them.

8.6.15 There are problems in recruiting and retaining playcentre supervisors. The low payments to supervisors are leading to high turnover and therefore to inconsistency in care and education. Playcentres, however, are unable to pay more without making fees too expensive for parents.

8.6.16 Playcentre liaison officers and others (mainly supervisors) are moving on more quickly than in previous years. This is partly because families are now smaller, but also because of women's increasing participation in the paid

workforce rather than in voluntary activities. This puts pressure on the playcentre movement to provide more training and support.

8.6.17 Playcentre sees more realistic reimbursement of supervisors and liaison officers as a means of retaining personnel at a reasonable cost and for an effective period of time. Its leadership development function is threatened by the high turnover of liaison and supervisory staff.

8.6.18 The concerns about funding which were explored in detail for both playcentre and childcare centres are common to other early childhood services. Coming through clearly are the interconnections between employment patterns, the viability or otherwise of early childhood services, women's multiple and changing roles, and the importance of cultural preservation for Maori people and Pacific Island people. Those in the early childhood field have been aware of these issues for some time. A crisis of funding—and even survival—for early childhood care and education services has now arrived.

8.6.19 Unfortunately, this crisis has arrived at a time when levels of stress in families are increasing. One of the most valuable assets of early childhood services is that they provide stable and consistent care and support for children and their parents or whanau. This is being severely undermined by inadequate funding levels.

9: An Outline of Our Proposals

9.1.1 The working group has identified problems in the current arrangements for complementary early childhood care and education. As a result, certain key requirements for the future have emerged. These are:

- Services should be responsive to changing social needs to enhance equity of access.
- Services should meet a range of cultural needs.
- Provision of services should not presume considerable voluntary input or extremely low wages for workers.
- Provision of services should enhance the choices and control women have over their lives.
- Provision of services should maximise the benefits to children, families and society.
- Funding of services should be on an equitable basis, and should not discriminate between services.

9.1.2 To achieve these requirements, a new funding and administrative approach needs to be adopted. We believe that the administrative model proposed in the Picot report can be successfully adapted to suit the early childhood sector, and be used to deliver the funding arrangements outlined in Chapter 11.

9.1.3 Moreover, we are recommending a structure which recognises the fragility of the current level of organisation in the early childhood sector and which should provide a strong base for encouraging effective co-ordination, support, and the setting and maintaining of standards—while retaining the flexibility that is already part of the sector.

9.2 Where to From Here ... and How?

9.2.1 There are a number of aspects of the Picot report which the working group supports—some of which are already part of the early childhood care and education sector. These are:

— community involvement in educational activities
— flexibility and diversity
— local control over decision making and resource allocations
— accountability for decisions at the local level
— national guidelines
— charters.

9.2.2 However, it is essential that early childhood services keep as their central focus the meeting of the educational needs of families. There must be a recognition of the important and central role of parents as the prime caregivers and educators of their children—and we see that this can be done using the

basic Picot model of a partnership between the service and its community (parents/whanau), linked by a charter.

9.2.3 We affirm, too, that the Ministry of Education should have prime responsibility for the administration of early childhood services—and that this can be done through the charter, which not only links a service to its community but also links the service and the community back to the ministry.

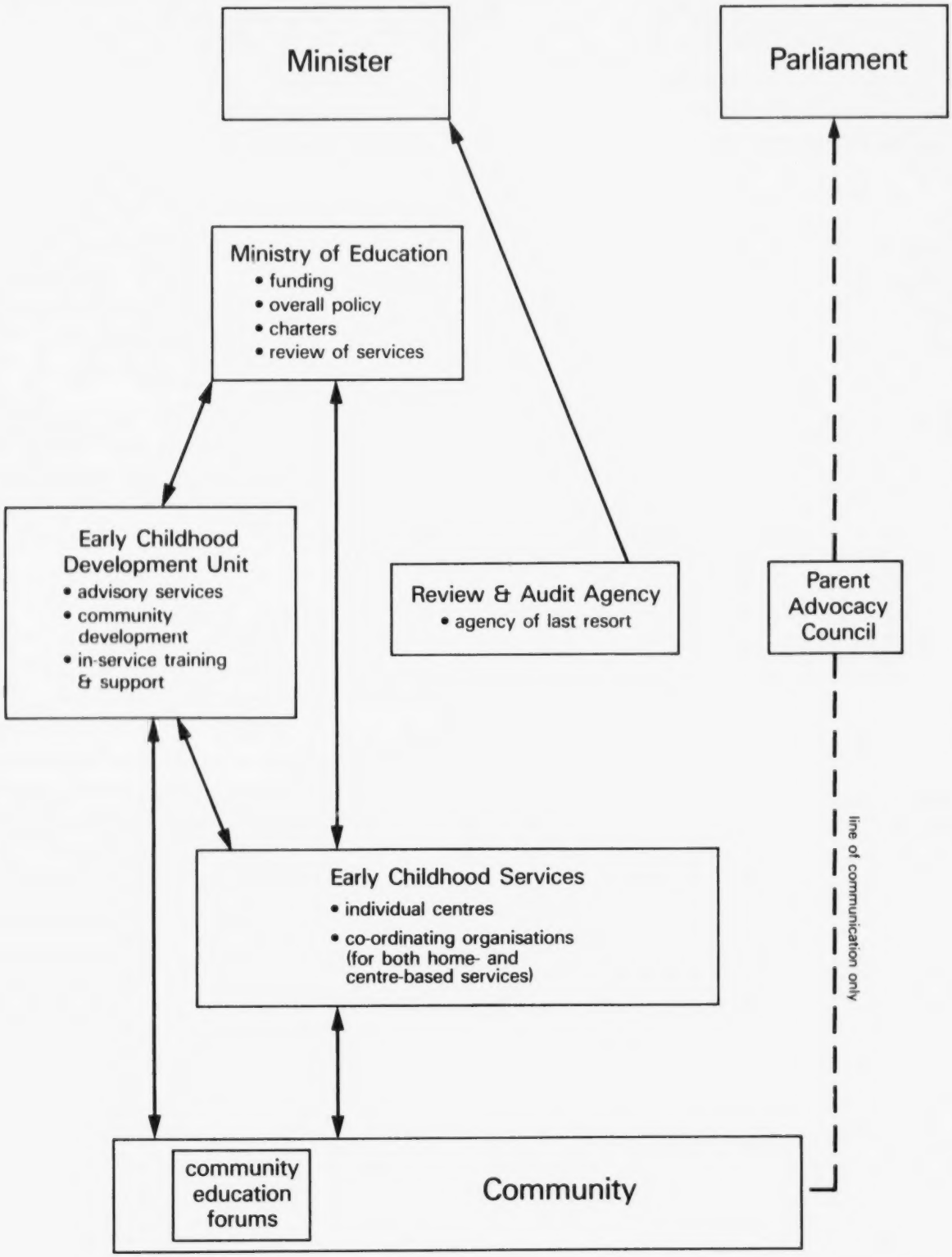
9.2.4 We propose, therefore, a system of administration for early childhood care and education which rests on:

- a *charter* which sets out the aims of the service and which is drawn up within *national guidelines*
- a *board of trustees* which runs the service and which has considerable *parent/whanau involvement*
- an *Early Childhood Development Unit* which uses a *community development approach* to provide advisory services, training and support, and policy and curriculum development
- a *Ministry of Education* which *confirms charters* on the basis that they meet national guidelines, which provides *equitable funding*, and which (in our preferred model) *reviews services* regularly to see if they are achieving the aims set out in their charters
- a *Review and Audit Agency* which we prefer to have act only as an agency of last resort (if services are not achieving their aims)
- a system for *training and accrediting* early childhood workers which establishes professional standards and qualifications for staff and personnel
- a system of *bulk-grant funding* which goes to services which have charters, and which is calculated on an hourly rate per filled place (up to a maximum of 20 hours per week and up to the numbers of places specified in the charter)
- an additional system of *discretionary grants* to help new services establish themselves and develop their charters; and *property loans* for capital expenditure.

9.2.5 As well, the early childhood care and education sector will share with the rest of the education system the basic elements of:

- — community education forums to act both as a place of debate and as the voice of the community on all sorts of education matters
- — a Parent Advocacy Council to promote the needs of parents/whanau and to act as an agency of last resort for those whose needs are not being met or listened to
- — policy advice to the Minister provided by the ministry
- — the right for groups to set up their own culturally and philosophically different types of services, and to be funded by the state provided that their service meets national guidelines (and provided that they develop a charter which is confirmed by the ministry).

Figure 3: Proposed Structure for Administration of Early Childhood Services



10: An Administrative Model for Early Childhood Services

10.1.1 Services—whether individually or grouped under the umbrella of co-ordinating organisations—will be the basic element of our administrative model. They will have control over their own (increased) resources—in much the same way as they do now—and they will be run as a partnership between the service provider and the parents/whanau (the community), with overall co-ordination by the Ministry of Education. The expression of such partnership will be the charter.

10.2 Charters

10.2.1 The charter will act as a two-way "contract": between the service and its community (the parents/whanau); and between the service and the government. It will set out the objectives of the service, within the government's overall national guidelines for early childhood.

10.2.2 The charter, then, is the meeting point between community needs and national standards for early childhood services. It provides the opportunity for parents and community members to clearly identify early childhood needs as they see them and to design a service to meet those needs. There is considerable room for flexibility within charters as long as they meet standards which will produce the high-quality service necessary for young children's development. These standards will be set out in the national guidelines for early childhood care and education, and they will cover matters of curriculum, staffing, advisory support, and minimum physical requirements. So the national guidelines will, in effect, contain a set of licensing regulations similar to those currently in existence and these are likely to require higher standards than at present. (These licensing regulations will also exist independently as mandatory requirements for all centre-based services, so that all centres must be licensed, regardless of whether they have a charter or not.)

10.2.3 Charters will be drawn up by the board of trustees working closely with the parents/whanau and with the services's staff and helpers. The ministry will check charters when they have been drawn up, to see whether they meet the national guidelines; and it will confirm charters that do meet the guidelines. Final approval of charters will be given by the Minister of Education, on the recommendation of the ministry.

10.2.4 Charters are likely to need amending from time to time, whenever national guidelines or local needs change. Any amendments will also need to be checked and confirmed by the ministry, and approved by the Minister.

10.2.5 The charter will include statements on:

- the goals of the services
- curriculum objectives

— the service's staffing policy

— in-service programme for staff development

— advisory support that will be used

— parent education

— special education policy

— how the board of trustees is elected

— a code of conduct for the board of trustees

— accountability.

An illustrative charter is given on the following pages.

10.2.6 The charter provides an opportunity for Maori initiatives to be funded in a way which will address issues such as training, fluent speakers, people and material resources, and advisory services in ways culturally appropriate to the kaupapa.

10.2.7 We have commented earlier on the importance of parent/whanau support and education, and we believe that a culturally sensitive programme for parent education will need to be included in charters. This will be for the education of all parents—not just for those whose children are using the service. Attendance at the programme, however, will not be compulsory.

10.2.8 Services which do not have a charter that meets national guidelines will not be eligible for bulk-grant funding. But we expect some services which are currently missing out on Vote: Education funding—such as those in hospitals—will become eligible by being chartered.

10.3 Board of Trustees

10.3.1 Community responsiveness is at the heart of our recommendations on funding and decision making. Parents and whanau—and indeed groups from the wider community—will be involved in the running of services through boards of trustees. This will mean a great deal more awareness of, and responsiveness to, the needs of the community.

10.3.2 The board of trustees will be responsible for the efficient and effective running of the early childhood service, and for its broad policy objectives. The board will also take overall responsibility for the charter, and for developing programmes within the national guidelines and the charter. The board will be directly responsible for appointing staff and helpers, for all matters of budget, and for buildings and physical standards.

10.3.3 Individual centre-based services may each have their own boards—or they may share a board of trustees with other services or with other education institutions in the same locality, provided that the Ministry of Education is satisfied that a common charter serves the interests of all involved.

ILLUSTRATIVE CHARTER

Goals

The charter should provide statements on:

- how the facility will contribute to the development of children, families, whanau and the community;
- what values are reflected in the goals and how they relate to the specific needs of the client group;
- how the board will demonstrate it has met its goals;
- the relationship between group size, hours, physical environment, mode of delivery and management of the group (which needs to be presented in measurable terms).

Curriculum Objectives

The charter will state the service's curriculum objectives and methods. Until national curriculum objectives are finalised, boards should work to the objectives formulated by the members of the February 1988 Lopdell course:

"The curriculum will enable all children to experience an environment in which:

1. They learn who they are.
2. They are safe.
3. They are healthy.
4. They relate positively to others.
5. They enjoy themselves.
6. They learn in appropriate ways.
7. They respect the natural environment.
8. There are goals for children.
9. Learning is not limited by gender.
10. Learning is not limited by race or colour.
11. Decision making is shared.
12. Conflict is resolved peacefully.
13. The importance of home and family is recognised.
14. Adults are learners.
15. People are accountable.

Staffing Policy

Minimum ratios will be set in the national guidelines but there needs to be a statement in the charter on whether the service will match the guidelines ratio or improve on it.

- In centre-based facilities, there should be a minimum of two adults at all times. These two adults should be trained staff, unless the "qualifications" of staff are deemed to have been demonstrated by their awareness and actions about child safety and curriculum planning/implementation.
- For home-based schemes, there should be a minimum of one trained co-ordinator.

Maximum sizes for groups will be set in the national guidelines.

The statement on staffing policy should also describe:

- appointment procedures for staff—such as who will write the job description; how positions will be advertised; the interview procedure; the criteria for selection; and who will be on the interview panel.
- procedures for selecting caregivers for home-based schemes.

The charters of home-based schemes should also state:

- the amount of funds allocated for co-ordinator travel.
- the payment to be given to caregivers.

In-Service Programme for Staff Development

The charter should include a statement on how centre-based staff and home-based caregivers and scheme co-ordinators will continue their learning. This statement should cover who will provide training, what the training will be in, and how often this will be.

- "who" could include polytechnics, teachers colleges (through their advanced studies for teachers courses), existing early childhood organisations, and advisers employed by the service itself or by the Early Childhood Development Unit
- "what" could include curriculum, centre management, health and safety, child development, and programme planning and evaluation
- "how often" must specify a minimum of 2 paid release-days per annum for employees.

Advisory Support

The charter's statement on advisory support must specify:

- what sort of advisers will be used—these may be advisers from the Early Childhood Development Unit, from existing organisations (for instance, nga kohanga reo may wish to continue to use their taurima groups or the Department of Maori Affairs community officers), or advisers employed by the service itself
- for what purpose advisory support will be used (such as whether for in-service training, programme evaluation, child observations, or management advice)
- to what extent the various sources of advisory support will be used
- the amount to be spent on advisory support (a minimum amount is likely to be identified in the national guidelines).

Parent Education

There should be a statement about how the service will provide for parent education.

Special Education Policy

There should be a statement saying how the service will meet the needs of children with handicapping conditions.

Election of Board of Trustees

This should contain statements on:

- how the board will consult the community before new board elections are held
- how much money will be set aside for publicity and consultation
- the numbers of elected representatives on the board (five), and how they will be elected (that is, by parents/whanau)
- how many additional members will be co-opted, and the criteria for selecting co-opted members
- the length of term of board members, and whether re-election is possible.

Code of Conduct for the Board

The charter should set out:

- how the board will function to ensure Treaty of Waitangi partnership principles are followed
- how conflict with or discipline of staff will be handled
- how tasks will be apportioned.

It is expected that there will be a code of conduct for boards contained in the national guidelines.

Accountability

The charter will contain statements on:

- how the annual accounts will be audited or certified
- how the board will report to parents/whanau on the service's achievements and progress.

Note: It is expected that many of the statements in each charter will simply re-state the national guidelines (where these give explicit requirements) or government legislation and regulations (such as numbers of board members and their length of term, and requirements for financial audit).

10.3.4 We envisage that home-based or centre-based services which operate under the "umbrella" of a larger agency or organisation would share one board of trustees with other early childhood services run by that agency: this, however, would need to be approved by the Minister, through a recommendation by the ministry. Where this happens, there would also need to be a local committee for individual services within the larger organisation (but not for home-based services, which would continue to be served by a co-ordinator working to the board). We also see that caregivers such as whanau, friends and family could come together with a charter and their own board—either by joining an existing co-ordinating organisation or by forming their own. This would give such caregivers access to government funding.

10.3.5 The working group decided that it was not within its preserve to change the existing structure of voluntary organisations. If an association wishes to form a board of trustees which will take responsibility for a charter encompassing several individual centres, we see no reason why it should not be able to. The association would, however, need to provide evidence of consultation with, and acceptance by, the parents and staff of the services or centres concerned. Fair representation of all services and co-ordinating organisations will need to be guaranteed.

10.3.6 Some early childhood centres are located within schools or on school property. We recommend that these should operate as a separate early childhood service which—while working in closely with the school—could have either their own board of trustees or align with the board of another early childhood service.

Composition of the Board

10.3.7 A board of trustees for an early childhood service should have a parent/whanau majority. In terms of the composition of the board, this means:

- It will have five members who may be parents/whanau and who are nominated and elected by parents/whanau.
- It can co-opt up to four members (who may also be parents/whanau).
- It will include the proprietor of the service where this is appropriate—for example, in the case of services run by local authorities, church groups or hospital boards.
- It will have staff representation. In cases where a centre has its own board, this staff representative will be the head teacher or supervisor. Where several services share one board, the representative will be a senior teacher or worker from one of those services.

In cases where an association acts as the board, each centre "belonging" to that association should have a local committee with a parent/whanau majority.

10.3.8 Given our proposed board structure, we envisage that iwi authorities will be able to set up boards of trustees to run early childhood services.

10.3.9 We expect that board membership—that is, both elected and co-opted members—will reflect the population in the area it serves.

10.3.10 Because of the transitory nature of attendance at early childhood services, members of the board should serve for 12 months, with further terms being possible. (Parent members, however, could include those whose children will attend in the coming year or have attended in the past year.) Co-opted members would serve for a specific length of time that is determined by the board—but this should not exceed 12 months. Mechanisms for ensuring board continuity need to be further investigated.

10.3.11 Before elections are held, the community will be consulted. Elections will be well publicised, and the existing board will set aside funds for publicity.

10.3.12 Co-opted members will have the same powers and responsibilities as elected members.

10.3.13 Board members should be paid fees for any financial disadvantage incurred in being a board member. Fees will be awarded at the discretion of the board itself. They will be used to compensate for lost income, and for childcare, travel and other costs. A scale of (maximum) fees will be established, to guide boards.

Budgets and Expenditure

10.3.14 The board will have discretion about how it spends its bulk grant. However, there are likely to be areas in the national guidelines which specify minimum requirements for staffing levels, training and support, co-ordinator travel, and parent education—and these will to some extent direct the board in its budget planning and its spending of the bulk grant. The board will work with staff in preparing budgets and, if necessary, can also use professional (outside) help.

10.3.15 The board will be responsible for preparing an annual set of accounts showing how the bulk grant has been spent. These accounts must be either audited or certified by an accountant, and a copy sent to the Review and Audit Agency.

10.3.16 Boards will be able to borrow commercially if they wish—although we have made provision for other ways of raising finance in Chapter 11, section 11.3.

The Board's Responsibility for Property

10.3.17 The board will be the legal owner of the service's property, in much the same way as property is currently owned by individual centres or their associations/national body. As such, the board will be responsible for all building and maintenance work, and for meeting the physical standards required of centres. Funding for this will be incorporated in an hourly-rate payment which will form the basis of the bulk grant (see Chapter 11: Funding Arrangements).

Staffing Matters

10.3.18 The board of trustees will be the legal employer of all staff, and will be expected to work together with staff in meeting the children's and families' needs.

10.3.19 The board will adopt equal-employment-opportunities principles in appointments, and will comply with awards. They will also approve leave, and will ensure that all staff, home-based caregivers and scheme co-ordinators have opportunities to continue their learning, through in-service training programmes.

Accountability

10.3.20 The board must report regularly to its community on how well it is achieving the objectives set down in the charter. How the board will do this will also be specified in the charter.

10.3.21 The board will be accountable for the performance of the service—and each service will be reviewed on a regular basis to check whether its performance meets the promises in its charter (see section 10.5 in this chapter).

10.4 Early Childhood Development Unit

10.4.1 Our analysis of the early childhood care and education sector has convinced us that it needs continuing developmental support. This can best be done through an early childhood development unit which will employ specialist staff to carry out its developmental role. Some compelling reasons lie behind the creation of such a unit. They include:

- the increasing number of voluntary providers of services
- the frequent turnover of caregivers and staff
- the number of services which are expanding, and which need extensive support during their establishment phase
- the need for more assistance with in-service training and education, which is essential when so many early childhood care and education staff do not have formal qualifications and others are trying to upgrade their qualifications
- the fact that some services or individual centres are without advisers and need additional support
- the need to devote more resources to providing developmental services for four-to-five year olds (since many children first experience early childhood services at that age)
- the ministry's need (as a policy maker) for independent information about the early childhood care and education sector
- the need to identify key areas where services are needed and to work with local people—through community education forums and other networks—in developing strategies for meeting these needs
- the need to provide a link or bridge between communities, and the providers and funders of services.

10.4.2 We also gave considerable thought and discussion to whether an early childhood development unit should be a free-standing agency or located within teachers colleges or the Ministry of Education. Teachers colleges, however, are primarily concerned with teacher development and, after October 1989, will be taking on curriculum development and promulgation. It would be unfair to

expect them to take on yet another function, given the extra demands and reorientation of thinking that would be required. We also saw it as important to have a clear separation between developmental work and policy advice—and so the unit could not become part of the ministry.

10.4.3 We therefore propose that a free-standing, self-administering service for early childhood care and education be set up. The name of the unit should reflect its community development orientation—and so we suggest it is called the Early Childhood Development Unit.

10.4.4 The unit would work on contract to the Ministry of Education, and would be headed by a general manager. The staff is likely to be a mix of people who are currently education officers (early childhood education) and community pre-school workers. Their job brief would include specific responsibilities for community development—and their work should be oriented to helping communities work more effectively in identifying and meeting needs. All those working in the unit should attend courses on tikanga Maori.

10.4.5 It will not be possible for the unit to work on a full cost-recovery basis because it will be dealing with home-based caregivers, families at home, and many small units. Instead, the majority of funding for the development unit should come from the ministry.

10.4.6 We would expect that the ministry would contract the following services from the Early Childhood Development Unit:

- co-ordination between different services
- in-service training and education for workers from all services
- support to playgroups and families at home (in the same way as that currently provided by community pre-school workers)
- management and curriculum support for services (new and existing) as they develop charters
- specialist support for services in areas such as preparing loan applications
- special early childhood advisory services
- identification of community needs.

Generally, the unit will provide advice and resources aimed at improving and maintaining standards and at assisting the flow of information among services and among consumers.

10.4.7 The Early Childhood Development Unit should include staff to provide special education advisory services. The supply of special education advisory services for early childhood is currently uneven. As well, those services that are available are often inappropriate to pre-school children because some special education advisers are not aware of early childhood development patterns. To overcome these problems we therefore recommend that a number of special education advisers with early childhood expertise be attached to the unit.

10.4.8 The general manager will negotiate and draw up the contract with the ministry, including any clauses about the sharing of information and the supplying of advice to the ministry. All aspects of staffing and structural organisation in the unit will be the responsibility of the general manager.

10.5 Reviewing Services

10.5.1 Early childhood services will be reviewed on a regular basis, to see whether they are meeting the objectives set out in their charters. We prefer this regular review to be the responsibility of the ministry—rather than the Review and Audit Agency (which fulfills this function for other sectors of education).

10.5.2 Having the performance of services reviewed by the ministry will reduce the number of central agencies that the services have to deal with.

10.5.3 We see these regular reviews as happening at least once every six months. A regular review would consist of one visit from the ministry's team, followed by a report that made recommendations for improvement where necessary. This report would be made public—and we would expect some consultation with the service before the ministry released its report. If the regular review of a service showed that it had significant and continuing problems in meeting its objectives, the ministry could also call upon the Review and Audit Agency to conduct a special review. (For more on special reviews, see paragraph 10.5.5.)

10.5.4 While the ministry would be responsible for checking that early childhood services were meeting their charter objectives, the Review and Audit Agency would still be responsible for checking that services are not mis-using government funds. Therefore each board would send an annual set of accounts—which will have been either audited, or certified by an accountant—to the Review and Audit Agency. We expect that the ministry would be able to have access to a service's accounts if necessary during its preparations for the regular review of that service.

10.5.5 Special reviews will occur when there is concern about a service's performance. These special reviews can be initiated by the ministry, the Minister, or the board of trustees itself. This special review will determine the facts of the matter and, if it establishes serious problems in the management of the service, the Review and Audit Agency can take action to remedy the situation. These "remedies" will be either: a requirement for the board to take certain action; the dismissal of the board and election of a new board; the dismissal of the board and appointment of an interim statutory manager. Only the Review and Audit Agency has the authority to recommend such actions to the Minister.

10.6 Ministry of Education

10.6.1 We support the creation of a new Ministry of Education with its three units for property, policy advice, and operations. However, we are insistent that the early childhood sector be strongly represented in the policy and operations units of the ministry and that this sector's equal status with other education sectors be clearly demonstrated within the ministry.

10.6.2 Early childhood staff in the ministry's policy unit will be responsible for overall policy development for the sector. This policy must be well-informed, relevant and timely—and should not be developed in a vacuum. Early childhood staff in the ministry's policy unit will therefore need to establish effective working relationships with early childhood staff in the ministry's operations unit, and with the Early Childhood Development Unit, the Review and Audit Agency, and the early childhood sector in general. As well, policy will need to be developed in association with other government departments—such as the Department of Health and the Department of Social Welfare—whenever appropriate.

10.6.3 Staff in the operations unit of the ministry will "negotiate" charters with services and will be responsible for recommending charters for ministerial approval. In our preferred model, they would also be responsible for conducting regular reviews of services, to check that services are meeting the objectives in their charters.

10.6.4 The ministry's property unit will administer the early childhood property loans scheme. It will also act as landlord for groups renting education property owned by the Crown.

10.6.5 Staff in the ministry will need to be capable of both presenting and responding to Maori and Tauiwi cultures. There should be an affirmative action employment policy for Maori staff, in order to ensure that a significant proportion of staff at all levels are Maori. It will also be important for people of Pacific Island cultures to be represented on the staff.

10.7 Review and Audit Agency

10.7.1 The Review and Audit Agency will—in our preferred model—act only as an agency of last resort and will undertake special reviews of services at the request of the Minister, the ministry, or the board of trustees of the particular service. (More detail on special reviews of services is to be found in paragraph 10.5.5.)

10.7.2 The Review and Audit Agency will also be responsible for checking that services are not mis-using government funds. Each board of trustees must send to the agency an annual set of accounts which have been either audited, or certified by an accountant: the agency will use these to perform its financial check. We expect that the ministry's early childhood review teams will be able to have access to such financial information if they require.

10.8 Community Education Forums

10.8.1 Community education forums are being proposed in the new education administration system as the official voice of the community. They will be informal arrangements set up on the initiative of the community, and will be used as places or occasions to identify and gather together community views on broad educational and policy issues. We support the concept of these forums, and see their potential for raising the profile of the early childhood sector.

10.9 Parent Advocacy Council

10.9.1 Parent groups have traditionally had difficulties in obtaining responsive services. This is likely to persist in the short term at least, so parents will need advocates. We recommend that the Parent Advocacy Council should have at least two representatives (one Maori and one non-Maori) whose specific function is to attend to the information and advocacy needs of families with young children.

10.10 Training and Accrediting of Early Childhood Workers

10.10.1 High-quality early childhood services are clearly dependent on skilled early childhood teachers, and policies should be planned to achieve a good supply of qualified staff. Given the importance of early childhood care and education and the vulnerability of young children, we would expect the presence of qualified staff in early childhood services. As well, the national guidelines are likely to specify a minimum number of qualified staff.

10.10.2 Qualification, however, will not necessarily be dependent upon a process of formal training and certification. A service can choose to employ uncertificated staff on the grounds that they have other (non-formal) qualifications—such as the ability to pass on the children's language and culture.

10.10.3 A clear distinction needs to be made between certificated people and qualified people:

- In nga kohanga reo the emphasis tends to be on the skills of the group and on interaction within it, rather than on any one individual. Its focus is the maintenance and development of Maori language and the passing on of Maori cultural knowledge through the leadership of kuia and kaumatua—that is, it makes use of people qualified to communicate their specific knowledge.
- In Pacific Island language nests much of the leadership is offered by older people, usually grandmothers. They offer support and an example to parents, and the whole group revolves around these people. They often have no formal qualifications, nor have they attended a training course and received a certificate, but they do possess the knowledge and skills that qualify them for their role in the maintenance and development of Pacific Island languages and cultural knowledge.

10.10.4 Services should be given the flexibility to choose the most appropriate staff to meet their particular needs—whether or not these staff are certificated. However, boards of trustees which employ staff who are qualified but not certificated will need to convince the Ministry—during charter negotiations—that their people will be able to ensure the standards of care and education required. One way of doing this is to have an independent referee or the elders of an appropriate ethnic group "attest" to the skills and knowledge of the person involved.

10.10.5 By and large, most services will prefer to use formally trained and certificated staff. However, the process of certification should not have to depend upon attendance at training courses in tertiary institutions—field-based training and extra-mural courses are acceptable alternatives.

10.10.6 If boards employ certificated staff, they should ensure such people have a reasonably recent certificate or have attended refresher courses.

10.10.7 The training and formal-qualification structure of the early childhood sector should:

- include and allow for different early childhood care and education courses, but require a common core of knowledge
- allow individuals to move easily between services
- accept the unique requirements of different types of services[1]—for example, playcentre and kohanga reo
- allow people to obtain training in a variety of ways—such as pre-service and in-service, field-based and extramural, full time and part time, or any of these as required
- allow people to update their formal qualifications
- provide training for trainers (including associates)
- avoid situations where individuals get locked into one level of a hierarchy.

[1] School principals who have an early childhood centre within their school should also have the opportunity to attend an in-service course which informs them of the learning styles, philosophy and practices of early childhood education.

10.10.8 We also recommend that progress towards the full implementation of the integrated early childhood training scheme be maintained. Policy making and funding of training arrangements will be an important ministry function. Without an adequate supply of trained early childhood teachers, the viability of centres and home-based schemes will be questionable. Young children have no voice of their own—and so parents and services must make sure that what is provided is for the benefit of children and their parents. This is more likely when staff have formal early childhood training.

10.10.9 An advisory committee on accreditation has been established to advise the Department of Education on the standards required for recognised formal qualifications in early childhood education. We recommend that this committee—or a similar permanent body—be attached to any national authority that is set up to oversee and validate standards for certification/qualification in the education sectors. This would make it possible to link overall standards of certification with the requirements and acknowledgment of the skills, knowledge and attitudes required for early childhood education. This proposal, however, needs further investigation.

11: Funding Arrangements

11.1.1 The style of funding for early childhood services is of prime importance—and we have given considerable attention to this in our proposed model. Earlier, in Chapter 8: Why We Haven't Got Further, we identified some serious inequities in the current system that can only be redressed by a fundamental shift in the funding pattern for early childhood services.

11.1.2 In the past, funds have been allocated according to broad categories of services. We recommend, instead, that all services or providers which have a charter be funded *directly* through a bulk grant paid in advance on a regular basis. Home-based caregivers operating under a co-ordinating organisation would be funded on the same basis as centre-based services.

11.2 Bulk Grant

11.2.1 The basis of this bulk grant will be a universal hourly rate. The hourly rate will be paid for a maximum of 20 hours per week, for each full-time-equivalent filled place up to the maximum number of places specified in the service's charter. To take two common examples:

- A childcare centre with a capacity of 20 full-time-equivalent places can receive funding for a maximum of 20 places multiplied by 20 hours per week. The 20 places might be made up of 20 full-time enrolments, or a mix of part-time and full-time enrolments equivalent to the maximum of 20 places. If the enrolments drop below the centre's capacity, then the funding also drops.
- A kindergarten with a session capacity of 40 children (but total enrolments of up to 80 when morning and afternoon sessions are combined), would receive funding for 40 (the number of full-time-equivalent places) multiplied by 20 hours per week.

There would need to be a system of regular returns which show the number of filled places in each service.

11.2.2 This recommendation is to replace all existing Vote:Education grants and subsidies, and it vastly simplifies the current complex arrangements of different formulae for different services.[1] While it means that kindergartens—which have received the most secure and reasonable levels of financial support—will be dealing with a completely different funding system, their overall level of funding should not be reduced. What will change is the inflexible nature of current funding arrangements.[2] (The likely costs of these new arrangements is discussed in Chapter 12: Costing of Proposals.)

11.2.3 Under our proposals, existing tax rebates for users of childcare services are abolished. There are several reasons why we have chosen not to pursue the route of tax rebates. Rebates are, for example, paid retrospectively and they apply only to taxpayers. They neither encourage the provision of services nor ensure that the services being provided are of a sufficient standard. In contrast,

[1] Funding arrangements for the Correspondence School's early childhood services—which will have their own charter—will need to be further investigated, for instance by the Implementation Unit which is being set up to help implement the proposed changes to education administration.

[2] It should be noted that our proposals give Te Kohanga Reo a choice between the Vote Education bulk-grant funding system and their existing funding through Vote Maori Affairs.

our recommended system of funding will deliver assistance in a clear and visible way to those who need it.

11.2.4 Following the formula suggested in the Picot report, the bulk grant hourly rate will take into account:

- staffing (teachers, administrators, and advisers)
- in-service training for staff (including release time and tutors' wages)
- running costs (such as equipment, cleaning, heat, and light)
- accommodation and property costs (including the need to comply with fire, health and safety regulations).

11.2.5 The hourly rate will also be weighted for factors such as special needs (of children) and remoteness. As well, we consider that there should be a special weighting to cater for the needs of children under the age of two. This is because of the greater costs in providing early childhood services for this age group, and there is currently a shortage of suitable services because they are too expensive to set up.

Property Costs Component of the Bulk Grant

11.2.6 We propose that all capital costs (including debt servicing or rent payments) associated with the provision of centre- or home-based care should be included in the hourly rate that forms the basis of the bulk grant. This means that each filled place will bring in a property-costs component to every board of trustee's bulk grant. The amount involved will be the same for everyone, irrespective of how it is spent or the costs faced by each board. It is the board's decision as to how the property-costs component is spent—one board may decide to spend less and to rent halls, whereas another board may spend more of its budget on a purpose-built building and its associated maintenance.

11.2.7 Where the purchase costs of a building, the costs of refurbishment, or the price of items of capital equipment cannot be funded out of the bulk grant, the service will have to either raise its own funds or apply to the ministry's loans scheme (see section 11.3 of this chapter).

11.2.8 Devising the exact formula for the property-costs component of the hourly rate will need to be undertaken by the Implementation Unit, with the involvement of early childhood experts.

Continuation of Fees Subsidies

11.2.9 We believe that there will still be a place for specific funding that is targeted at low-income parents. Therefore the fees subsidies for childcare administered by the Department of Social Welfare need to be retained, at least in the short term. The criteria for this scheme need to be broadened and administrative barriers reduced. We specifically recommend dropping the requirement that a child attend a service for a minimum of 12.5 hours a week before a parent is eligible for the subsidy.

11.2.10 The Department of Social Welfare should continue to be responsible for administering the subsidy. To improve the functioning of the scheme, we

recommend that the department revise its current application forms and processes and improve the speed with which the subsidy is reimbursed.

11.2.11 Families using any type of early childhood service (centre- or home-based) and who meet the criteria will be able to apply for the fees subsidy. The levels of funding for the subsidy from Vote:Social Welfare will not be known until the extent of funding to services through the bulk grant is clear.

11.3 Property Loans Scheme

11.3.1 As a working group, we discussed in some detail the property and capital equipment needs of early childhood services. We came to the conclusion that a loans scheme, run by the Ministry of Education, would be the best way to cater for capital expenditure needs. This is a considerable departure from current practice, and in this section we provide the background and reasoning for that conclusion and give an outline of how such a scheme would operate.

11.3.2 The capital assets of early childhood services are seldom owned by the Crown. The exceptions are some centres within schools or tertiary institutions. For example, pre-school classes in primary schools are at the moment legally part of the primary school.

11.3.3 The capital assets of most services are owned independently but have been funded by the government. However, different types of services are treated differently in terms of their capital expenditure needs:

- Kindergarten and playcentre buildings, mostly owned by the kindergarten or playcentre association, are established with substantial subsidies (up to 100 per cent). Unlike kindergartens, however, playcentres seldom construct a purpose-built building: the usual pattern is to modify existing buildings.
- Non-profit-making childcare centres—which also own their own capital assets—receive up to $20,000 to set themselves up, with the average amount being more like $5,000.
- Childcare centres used by public servants and owned by the parent co-operative are established with grants from Vote:State Services Commission.

11.3.4 We believe there should be a more equitable system so that all services have access to funds for accommodation and property on the same basis, as long as they meet certain criteria. Property costs—whether they be rental or ownership—should be able to be paid for over a period of time, not in a lump sum borne by one particular group of parents.

11.3.5 Accordingly, we recommend a changeover from existing arrangements for property and capital equipment funding for all early childhood services as from 1 July 1989. Ownership of property will be retained by the current owners, and any future property will either be rented or owned by the boards of trustees of that particular service.

11.3.6 The Ministry of Education will operate this loans scheme, with the initial pool of money being the same size as that currently spent in the Department of Education's buildings programme for pre-school property. Annual injections of new funds will be needed, until loans begin to be repaid.

11.3.7 The loans will be lent at market rates to the boards of trustees of early childhood services and, since the scheme will be self-sustaining, there should be no delays or limits to the number of approvals (other than that the service must meet the criteria of the loans scheme). If a board of trustees wants to spend on a capital item—be it land, ownership of a building, or a major item of equipment—it will be free to borrow from the ministry's loan scheme. Repayments can be paid for out of the bulk grant, or from fees or fundraising efforts.

11.3.8 The criteria for a board of trustees receiving a loan will be:

- a charter that meets national guidelines
- evidence that there will be a roll of sufficient size to generate enough income to service the loan over the next five years
- evidence that those responsible for the financial affairs of the board are not financially irresponsible.

11.3.9 How the loan is spent is the board's business. The ceiling on any one loan would be the expected government bulk grant for the service over the period of the loan. In the case of services which stopped operating or lost their charter, the ministry would hold a mortgage over the property and be a secured creditor.

11.3.10 We also recommend that early childhood services have first option over any surplus school buildings which come up for sale or rent in future years. The boards of trustees of early childhood services would pay market rentals for the use of such property. Any maintenance arrangements would be decided at the time the tenancy contract is signed.

11.3.11 Any groups currently on school or tertiary institution property should also pay rent—if they are not already doing so—so that all services are placed on the same footing.

11.4 Discretionary Grants

11.4.1 We are of the view that the ministry should have a discretionary grants fund to meet community needs in cases where the community cannot meet such needs itself. This would be a source of assistance to new and potential services at the stage where they are setting up the service and developing their charters. Any grants made would be of a short-term nature for specific purposes.

11.4.2 Some groups will not be able to meet early childhood needs because they find establishment or upgrading costs to be insuperable. Others will find the risk of a loan too stressful. But these groups, too, should be able to establish services. Therefore, the working group recommends that a discretionary grants fund be established within the ministry, with a total sum set in the ministry's budget.

11.4.3 Grants would be distributed by the operations unit of the ministry, based on priorities set by the government and following advice from the ministry's policy unit. Examples of government priorities might be Pacific Island language nests, day care centres, or providing services in a particular geographic area. The grants could be for equipment or for property, and could include grants to repay debts incurred under the loans scheme.

11.4.4 Low income should be the grounds for a service receiving a discretionary grant. This could be either because the income of the families attending the service is low or because the service's income is low—that is, it is in a location where the sessions are few but the property costs are constant.

11.4.5 Like all grants schemes, there could be delays in approvals—especially when applications exceed the total sum available for that year. If a service stops operating or loses its charter, any assets acquired with the grant should be made over to another early childhood service or to the Crown.

12: Costing of Proposals

12.1.1 Chapter 11 has outlined the proposed framework for funding early childhood education. The principal component is the bulk grant (based on an hourly rate per filled place), which the service will use to pay for items such as staff, advisory support, in-service and field-based training, equipment, maintenance, rent, interest, rates, and building costs. Other costs to the state would include:

- the Department of Social Welfare fees subsidy
- annual funding of the discretionary grants scheme
- extra assistance for special educational needs
- funding of the proposed Early Childhood Development Unit
- the costs of the early childhood components of the Ministry of Education and the Review and Audit Agency (which are being costed in a separate exercise outside this report).

12.1.2 We have not been able to estimate firm costs, and are therefore unable to make specific recommendations on the level of spending for all of the above elements. There are two reasons for this. First, we are waiting to receive more detailed information from a study the Department of Education has commissioned on the costs of various services. Second, the appropriate level for the various elements depends on decisions about the total amount of government financial support that will be offered and the relative emphasis to be placed on the bulk grant or the other parts of our funding proposals. However, we have been able to prepare a set of indicative figures for this report.

12.1.3 At present the government spends approximately $98 million[1] a year in the areas that would be affected by our proposals, and this sum would be available to contribute towards the cost of the new scheme.

[1] This figure excludes $9.3 million a year on pre-service early childhood training, which comes under the Working Group on Post-Compulsory Education and Training and is not affected by our recommendations. It also excludes funding of 30 or so pre-school services in schools and the Correspondence School.

12.2 Bulk Grant

12.2.1 In order to make a preliminary estimate of the likely costs of a range of hourly rates that could be used as the basis for the bulk grant, we have used our NRB survey to provide information on hours of use and Department of Education data to provide information about the number of places available in various services. By using a range of possible subsidy rates from $2 per hour through to $5 per hour, it is possible to show in Table 3 (which follows) the approximate amount that would be received by each service, and the total cost to the government.

12.2.2 The figure of $4 per hour is recommended because it corresponds to the amount required to provide good-quality early childhood care and education across all services. At $2 per hour, the subsidy would approximate the current funding for early childhood care and education and most services would receive more than they do at present. That, however, would be totally inadequate for

bringing about the improvements in the overall quality of services that we believe is necessary. It would also mean a severe cut in funding to kindergartens.

Table 3: Current and Potential Funding Levels for Early Childhood Care & Education Services

SERVICES	CURRENT ANNUAL FUNDING $M	ANNUAL FUNDING IF HOURLY SUBSIDY PER FILLED PLACE IS: @$2.00 $M	@$2.50 $M	@$3.00 $M	@$3.50 $M	@$4.00 $M	@$4.50 $M	@$5.00 $M
Free kindergarten	53.955	30.331	37.913	45.496	53.079	60.662	68.244	75.827
Private fee-paying kindergarten	not available	6.549	8.186	9.824	11.461	13.098	14.735	16.373
Playcentre	3.509	7.132	8.915	10.698	12.482	14.265	16.048	17.831
Te kohanga reo	13.272	14.041	17.551	21.061	24.571	28.081	31.591	35.101
Pacific Island language nest	not available	0.463	0.578	0.694	0.810	0.925	[1]1.041	1.157
All-day childcare centre	7.714	23.792	29.740	35.688	41.636	47.584	53.532	59.480
Childcare centre for part of the day	1.538	4.738	5.923	7.108	8.292	9.477	10.661	11.846
Pre-school within a public primary school	not available	0.657	0.822	0.986	1.151	1.315	1.479	1.644
Pre-school within a private school	not available	0.188	0.235	0.282	0.330	0.377	0.424	0.471
Correspondence school and special schools	not available	0.632	0.790	0.949	1.107	1.265	1.423	1.581
Organised family day care	2.142	5.933	7.416	8.899	10.382	11.866	13.349	14.832
TOTAL FUNDING	82.130	94.456	118.071	141.685	165.299	188.913	212.527	236.141

Notes: [1]Some current annual funding figures are not available because of the way they are allocated within Vote Education.
[2]Funding for kohanga reo currently comes from Vote Maori Affairs.

12.2.3 Kindergartens cannot be regarded as being richly funded now, and simply to maintain them close to their present level of income would need an hourly payment of $3.50—at a total cost for all services of about $165 million per year. Any subsidy below this rate would require the introduction of substantial kindergarten fees, and would probably be seen as going backwards on early childhood care and education. The rate of $3.50 would still not incorporate the improved staffing ratio necessary to attain the standard of quality which we consider vital for effective early childhood care and education.

12.3 Department of Social Welfare Fee Subsidy

12.3.1 Estimating the cost of the Department of Social Welfare fee subsidy depends on the level selected for the bulk grant's hourly rate. The higher the level of funding to services through the bulk grant, the lower their fees will be, and the less need for direct support to low-income households. To keep support to families at its current level would require $7 million. The current subsidy is inadequate, but once an hourly rate for the bulk grant is struck, the estimated costs of the fee subsidy may increase or decrease from our estimate of $7 million. More accurate estimation of the fee subsidy depends on the information on service costs that the Department of Education will assemble in the next few weeks.

12.4 Impact of Additional Funding Proposals

12.4.1 At present the various discretionary funds that the Department of Education disburses to early childhood education cost around $3 million a year. For planning purposes a similar sum could be attributed to our proposed discretionary grants scheme.

12.4.2 The present funding for pre-school administration ($4.2 million from Vote:Education Programme Two) and general departmental operations with an early childhood component (an estimated $2.1 million from Vote:Education Programme One) could be combined to give a possible base-line indicator of the cost of Early Childhood Development Unit services.

12.4.3 None of these estimates makes any allowance for extra assistance for special education needs. In addition, it must be remembered that the new regime is likely to increase the use of early childhood education services.

12.4.4 Taking the above factors into account suggests that, at a conservative estimate, at least $200 million a year will be needed to maintain the entire early childhood education sector[1] at around the current level of support for kindergartens. To offer sufficient funding to support good-quality early childhood care and education will require a further $30–50 million per year.

[1] Excluding pre-service training only.

12.4.5 A further cash cost to be considered is the need to provide for loans. Although the loans scheme should eventually be self-funding, it can be expected that there will be a significant call for loans funds in early years as the demand for early childhood services expands and as services aim to catch up on deferred works.

12.4.6 In total, government support for high-quality early childhood care and education on an equitable basis may require around $250 million per year. Government officials are currently working on more final cost estimates.

12.5 Interim Proposals

12.5.1 The serious nature of the funding crisis which exists now in early childhood education has been a constant theme in the working group's discussions. Childcare services are in jeopardy because costs have risen well above the level which many families can afford. We consider it vital for some interim increases in funding to be made available this financial year and a number of recommendations have been made to Cabinet for its consideration.

Who Will Benefit

13: Meeting the Principles of Social Policy Reform

13.1.1 Throughout our investigations, we have been very much aware of the guiding principles of the government's social policy reform programme. These principles are:

- implementing the Treaty of Waitangi
- improving the social and economic status of women
- providing a legislative environment which safeguards basic human rights and freedoms, and which works towards the removal of discrimination
- recognising the needs, contributions and traditions of Pacific Island peoples and other minority cultures residing in New Zealand
- enhancing the family unit in New Zealand society.

13.1.2 This chapter demonstrates how our proposed system for early childhood care and education reflects the general principles of this social policy reform programme. As well, we also indicate how our model will be of benefit to those with disabilities.

13.2 The Treaty of Waitangi

13.2.1 A separate review of nga kohanga reo is currently being prepared, and we are not aware of its findings or recommendations at this stage. Nevertheless, we have attempted to provide a model which is consistent with the obligations of the Treaty of Waitangi.

13.2.2 Our new funding structure is intended to be more responsive, flexible and equitable to users of early childhood services and to make sure there is increased access to funding for services. Under the new system any group which has a charter approved by the Minister has access to government funding on the same basis as any other service. The flexibility of the new structure gives opportunities for iwi authorities to provide early childhood care and education relevant and appropriate to Maori needs—so encouraging an effective partnership.

13.2.3 At the same time, groups which are struggling to establish themselves will have access to discretionary grants while they develop their charter.

13.2.4 We consider it essential that the principles of the Treaty of Waitangi be taken into account in the formulation of national guidelines, since those guidelines will provide the framework for individual charters.

13.3 The Social and Economic Status of Women

13.3.1 The recommendations in this report form the foundation of a system which will provide, for a greater range of women, a wider range of choices about

how they use their time. The benefits to women—both psychological and economic—will be particularly significant for women with low incomes or with no income of their own. These women will have more opportunity to begin to address their own needs, while the needs of their children are also being met. For too long, too many women have had no option but to provide the bulk of their children's early childhood care and education themselves, or to spend a large proportion of their wages in purchasing those services.

13.3.2 As it is, the present price of all-day childcare is simply unaffordable to many families. Instead, they combine services in a way which first of all maximises the cheapest options and then tops up the hours of care needed each day with progressively more expensive options. Such arrangements are not always in the best interests of the child—and some of the motivation to combine services in this way may disappear if our funding proposals are introduced. These will remove much of the cost element from families' decisions. With equitable funding, choices will be based more properly on the appropriateness of each service for the child and the family.

13.3.3 One of the major benefits for women from our proposals is the significant increase in funding recommended. This increase should lead to more services becoming available—particularly those which receive little public funding at present, such as childcare centres and Pacific Island language nests. However, if the eventual level of government funding decided upon is too low, then the expected proliferation of services will not occur, because the price will still be too expensive for many families. Women will continue to face severe limitations in their choices for childcare and in what they can do with their lives.

13.3.4 As well, our proposed Early Childhood Development Unit will help to improve the liaison and information flows between women who need early childhood care and education services and other women who are prepared to provide the services. This will ease the high degree of effort which women currently make to establish new services.

13.3.5 Another way in which the range of choice for women will be extended by our proposals is through the increased funding of home-based early childhood care. We recognise that for some families home-based care will always be their first choice. The administrative and funding structure we are recommending will not disadvantage those families who wish to use chartered home-based services.

13.3.6 Finally, we have noted the high degree of voluntary work which women do to ensure that their children receive early childhood care and education. Our recommendations will create a system in which services will be able to pay for this work, or at least contribute some payment towards it.

13.4 A Legislative Environment to Safeguard Basic Rights

13.4.1 The proposed administrative structure for early childhood care and education services will derive its authority from the legislative framework that

will follow from the decisions announced in the Government's document *Tomorrow's Schools*.

13.4.2 We are confident that the existence of national guidelines for education will be an excellent mechanism to ensure that quality is maintained and that the rights of children are safeguarded. We also anticipate that regulations on standards will continue alongside—as well as within—the national guidelines, to ensure that any unchartered providers also provide an adequate standard of services.

13.4.3 The discriminatory elements of the current system will be removed. In the past, government funding for early childhood has been delivered in a way which paid no attention to equity of access to resources. Our funding proposals will both introduce—and maintain—this equity of access.

13.5 Pacific Island Peoples and Other Minority Cultures

13.5.1 An equitable funding base for all services will help encourage the development of early childhood services relevant to Pacific Island children. It will also provide an excellent opportunity to build on the funding allocated (in this year's Budget) to Pacific Island communities.

13.5.2 The new system should allow Pacific Island language nests to flourish in their creation of a learning environment which encourages competence for children both in the language of their culture and in the English language. This is an important consideration in New Zealand, as two Pacific Island languages are now in a particularly vulnerable state.

13.5.3 We believe it essential that services which are relevant, appropriate, and controlled by Pacific Island communities be encouraged. In the same way, any other people of a minority culture who are motivated to provide care and education for their children in a way which is appropriate to their culture will also have the same degree of access to available funding.

3.6 Enhancing the Family Unit

13.6.1 Our proposals are firmly based on family-support principles—and we believe that the system we have recommended will assist families to meet their responsibilities for providing early childhood care and education more than previous arrangements have been able to do.

13.6.2 Families will also benefit from improved access to services at an affordable price and from the advisory and support services that will be available from the Early Childhood Development Unit.

13.6.3 The scope of our task focused primarily on complementary care and education—and so measures to assist families who choose to provide all of their children's care and education themselves have not been considered. In this connection we have noted that other proposals which are currently being investigated would be of assistance in this area—for example, the allowance for caregivers recommended by the Royal Commission on Social Policy.

13.7 People with Disabilities

13.7.1 The most significant feature of our recommendations for people with disabilities is in the area of special care and education advisory services. Under the current system, the access of pre-school children to special education advisory services has been extremely limited. Accordingly, we have recommended in Chapter 10 that appropriately trained special education advisers for early childhood be attached to the Early Childhood Development Unit.

13.7.2 At a more general level, families with a family member who is disabled should benefit from the improved access to early childhood care and education services—as this will help to reduce stress levels within the family. This will be particularly important for mothers or other principal caregivers who are themselves disabled.

Appendix 1: Members of the Working Group

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Appendix 2: Costs and Benefits of Early Childhood Care & Education

Costs and Benefits For Society

Costs to Society

- Vote:Education expenditure on:
  —Department of Education administration costs
  —training costs (this amounts to less than 2 per cent of Vote:Education).
- Department of Social Welfare fees subsidies.
- Department of Maori Affairs' grant to Te Kohanga Reo.
- Foregone income from the housekeeper/creche rebate. **Note:** The working group's NRB survey indicated that only 24 per cent of families using some early childhood service claimed the rebate.

Benefits to Society

- Improvements to the social fabric of society:
  —children start their schooling on a sound foundation
  —parents get to play a fuller role
  —families are supported, employers get regular attendance.
- The creation of networks within the social structure which help bind communities together in times of crisis.

Costs and Benefits For Children

Costs to Children

when early childhood care and education is undertaken solely within the family

- The parent-child relationship may become too intense with unrealistic expectations placed on the child, and anger vented.
- The child may have few chances to form relationships with other people (children & adults), and thereby fail to develop social skills (such as forming relationships, conversing, handling conflict).

when children are in complementary care and education

- Separation anxiety where children are not eased into a new situation with the support of significant others.
- Less chance for "quality time" with parents/whanau (this is more likely when children are in care for long periods during the day). However, research evidence (A B Smith (1979) "Current Research on Childcare: A Review" *Delta* Vol 23 No 2) indicates that these parents make the most of their limited time and can deliver just as much "quality time".

Benefits to Children

when early childhood care and education is undertaken solely within the family

- The child grows and learns in an environment in which the parent is attuned to and has expert knowledge of the child, and is "irrationally committed" to the child.
- The child grows and learns in an environment which is culturally appropriate.

when children are in complementary care and education

- Children have time out from intensive one-to-one relationships with parents.
- Children can make friends with peers and other adults.
- Children can be nurtured by other social "parents" and so build up an "assurance policy" for times of crisis.
- Children can find out that parent substitutes have other values and ways of expressing authority.

- Cultural alienation, if children spend time in environments which are giving out negative signals about the child's culture and language.
- Childhood illness can occur at a younger age.

- Children can fulfil themselves in different ways and so enhance their self-esteem.
- Children learn a wider repertoire of social skills.
- Children in child-centred settings are given the chance to be children—and to play, have fun and learn.
- Children construct more ideas through working at play; they learn less when presented with "ready made" ideas.
- Children can get more opportunities to develop their physical motor skills.
- Children can get opportunities to add a spiritual dimension to their lives.
- Children can get different/additional opportunities for learning tikanga Maori.
- The benefits to children of mothers who are not overburdened should not be overlooked. The stress of the early child-rearing years often places intolerable strains on relationships, and this has an adverse impact on the quality of the child's environment.

Costs and Benefits For Parents

Costs to Parents **Benefits to Parents**

when early childhood care and education is undertaken solely by the parents/whanau

Note: Costs and benefits are likely to vary depending upon the extent that the parents/whanau are involved and interacting with the other caregivers and with parents of other children. Those parents who are heavily involved may incur opportunity costs which amount to benefits for others who have low time involvement, and vice versa.

- Relationship between parent and child can be too intense.
- No time out from the responsibilities of child-rearing.
- Less chance to earn extra income.
- Less chance to contribute to society in other voluntary capacities.
- Social isolation from other adults, and a more limited support network.

- The ability to socialise the child into cultural values and ethnic languages without "contamination" from other values.
- Getting to know and understand the child in a deep and meaningful way.

when children are in a complementary care and education

- Fees (which range from donations up to $130 a week for a childcare centre).
- Volunteering (the working party's NRB survey found this ranged from about half an hour in childcare centres to 5.5 hours per week for kohanga reo). Volunteering produces costs of:
  —lost earnings
  —lost rest and relaxation
  —lost family time.
- If parents are not volunteers, and have little contact with staff and other parents, they lose:
  —skills in how to educate children
  —knowledge of child development
  —support that could be available from networks.
- Women (the primary caregivers) get the choice to join the labour force (to maintain their positions in it, and so to enhance their chances for career advancement) or to control their lives in other ways.
- Time out from child-rearing
  —to give to other family members
  —to have rest and recreation
  —to do community work
  —to support friends and the wider family.
- Reduced fees (if parents contribute their labour to running the service).
- Knowledge gained from contact with staff and other parents on:
  —parenting
  —management of children, adults and resources
  —learning and teaching of young children (and adults)
  —community work.
- Formation of a support network (which is known to be very important for the reduction of family violence).
- Sense of empowerment and confidence (which is important for the reduction of family violence).
- Opportunity for developing/maintaining Maori and Pacific Island languages and cultures.

Costs and Benefits For the Family

Costs to the Family

- Fees in cash or kind (including voluntary time and energy).
- More illness spread through family.

Benefits to the Family

- A liveable income for families who use childcare for employment purposes as well as for their children's care and education.
- Parenting skills shared amongst parents.
- The siblings "catch" some of the developmental benefits of care and education too (this was found in families attending Headstart programmes in the USA).
- More confident, relaxed and/or fulfilled parents who then have fewer angry interactions.
- Community networks for families.

Costs and Benefits For Providers

Costs for Providers

- Payment of salaries.
- Purchase of equipment and materials.
- Property costs.
- Risk (early childhood services are seldom viable as businesses).

  Note: most of these costs are passed on.

Benefits for Providers

- A profit (but only to a very few commercial centres).
- The satisfaction of contributing to a publicly valued service.
- The learning of management skills:
  —running meetings
  —keeping accounts
  —motivating groups
  —tutoring adults
  —public speaking
  —writing submissions.
- Increased knowledge of child development.
- Access to government grants.

Costs and Benefits For Employers

Costs to Employers

- No known costs to employers as a whole, but some employers have chosen to contribute to sharing the financial costs of providing early childhood care and education through:
  —a few employer-provided childcare centres (which have tended to be temporary phenomena)
  —employer subsidies for childcare centres in tertiary education institutions (for both staff and students)
  —employer compensation to workers for their childcare costs.

Benefits to Employers

- Continuity of work from employees who return after parental leave.
- Regular work-attendance habits by parents who have their children in reliable early childhood services.

Appendix 3: Description of Complementary Early Childhood Care & Educational Services

Private Home-based Arrangements by Family or Friends

Occasional minding of other children is familiar to most friends, neighbours or relatives, but some look after children or grandchildren on a regular basis. Payment may be made, parents may take turns in child-minding, or arrangements may be on a "family" basis with no payment or reciprocity required. The NRB survey commissioned by the working group indicates a relatively high level of informal caregiving taking place.

Free Kindergartens

Kindergarten teachers are employed by the New Zealand Free Kindergarten Union and are trained in teachers colleges. Kindergarten associations receive relatively substantial but not total financial aid from the government. This includes administration and sessional grants, subsidies for building maintenance, and funding for teacher's salaries. Kindergarten is the service closest to being fully funded by the government.

In general, kindergarten sessions are held each morning for children four years and over, and in the afternoons for children three to four years old. Parents are encouraged to help during sessions. There is no fee required but parents are asked to give a donation towards running costs. Kindergartens were originally funded by the government in recognition of the impossibility of the service being run on a totally voluntary or fee-for-service basis.

Playcentres

Playcentres are a parent co-operative, staffed by parents who undertake various levels of training provided by their associations. The national organisation, the New Zealand Playcentre Federation, also assists with training. Playcentres receive grants from the government for parent education and supervisor training, along with administration and sessional grants, and setting-up and building maintenance subsidies. They are, in the main, dependent on volunteer labour and voluntary practical assistance for activities such as building and maintaining equipment.

Te Kohanga Reo

The kohanga reo programme is a Maori-community-based initiative outside the education system, and available to all children. Funding is provided by the Department of Maori Affairs. Each kohanga reo is administered by a local management group which is loosely affiliated to a national body—the Te Kohanga Reo Trust. The trust receives the government's funding and has full control over the way it is allocated between individual kohanga reo. Running costs are shared by the families involved. Training of staff is organised through

the Te Kohanga Reo Trust—staff may or may not be paid, depending on the individual kohanga reo. Kohanga reo will usually be located in rented accommodation such as marae complexes, church halls, community centres, or vacant primary school classrooms.

Childcare Centres

Childcare centres, licensed under the Child Care Centre Regulations (1985), include all situations or locations where more than two children are receiving care and education outside the home, other than in free kindergartens and playcentres. Some childcare licences are for special-purpose centres, such as nga kohanga reo or centres for the intellectually handicapped.

All centres, both all-day or part-day, must provide a good-quality educational programme for the children who attend.

Childcare centres are autonomous. Some are administered by individuals; others by a committee or trust, a firm, or an organisation. They may describe themselves as private kindergartens, education centres, play centres or by a name which indicates their particular philosophy or purpose.

All-day centres may vary in their hours of opening (for example 9 am to 3 pm/7am to 6 pm); hours of attendance; size; and ages of children attending. They range from small "family-size" centres, operating in a home, to large centres where some children may attend all day and others for part of the day.

Some centres may be for babies or toddlers only, while others may cater for mixed age groups, or for older children only.

Children may attend on a regular, occasional, or casual basis, or for a limited period of time (for example, if their caregiver is in hospital). All-day attendance would mean enrolment of children in an all-day centre on a full-time basis. A significant number of childcare centres are community co-operatives, where there is a considerable amount of voluntary input from parents—and this is often crucial to their continued existence.

Part-Day Childcare Centre

This may include attendance at a creche (for example, a shoppers creche or university/college creche); at a half-day centre; or for part of the day at a centre which is open on a full-time basis.

Shoppers creches may well be established by community groups, sometimes with some form of support by local authorities. Their funding is usually uncertain and their viability fragile.

Organised Family Day Care

Organisations such as Barnardo's, the Auckland City Council, and Dunedin Community Childcare provide a system of family day care where parents of young children or babies are linked to caregivers who are often parents of young children themselves. Co-ordinators supervise the arrangement

and may organise regular playgroups or workshop meetings for parents and caregivers.

Auckland City Council and Christchurch City Council are the local authorities with the clearest policies of involvement in early childhood services. Funding for Barnardo's comes from a variety of sources, with a significant amount coming from the government. Parents pay for this service—the cost to parents is $2.50 to $3.00 an hour.

Pacific Island Language Nests

Pacific Island language nests offer programmes based on the language and values of a particular Pacific Island culture. They may range from informal family playgroups and groups which meet for one or two sessions a week, to all-day centres. Recent policy initiatives have provided some funding for Pacific Island language nests.

Private Fee-Paying Kindergartens

Private kindergartens are classed as childcare centres. They are required to be licensed under the Child Care Centre Regulations (1985) and must conform to the required standards of staffing, training, space, safety, and educational programmes.

A private kindergarten may be set up by an education organisation with a particular educational philosophy (for example, Montessori or Rudolph Steiner); by a community, religious or charitable organisation; or by a private individual. Teachers must have at least one of the qualifications recognised as suitable for childcare. These include kindergarten, playcentre, childcare or primary teacher qualifications.

A Pre-School Within a Private School

Some private schools, including those which have a particular character or philosophy, have pre-school classes attached. These classes are licensed under the Child Care Centre Regulations (1985). Most will require parents to pay fees.

Early Childhood Services of the Correspondence School

The Correspondence School offers an early childhood service for isolated pre-school children, children with physical handicaps or illness, or children whose parents are particularly mobile. Toys and ideas for play are sent out to children by kindergarten teachers based at the Correspondence School in Wellington.

Playgroup

Playgroups are groups of pre-school children, or of parents and children, which meet on an informal or regular basis to provide opportunities for play for babies, toddlers and young children. Parents are generally involved with their children and in some cases a teacher, community worker, or pre-school worker may supervise sessions. Fees may be required but not necessarily. Equipment may be provided through mobile pre-school units, departmental early childhood

officers, or community initiatives. If parents do not stay with children under the age of three years, the group must be licensed under the Child Care Centre Regulations (1985).

Other Arrangements

These may include early childhood services for hospitalised children, early intervention or special education, communal arrangements and mobile pre-school units.

Appendix 4: The Departments of Social Welfare and Health: Their Contribution to Early Childhood Care & Education

The Department of Social Welfare

The Department of Social Welfare has both a development and a funding role in relation to early childhood care and education, primarily in relation to low-income families and families under stress. It is also involved in the development and funding of other initiatives that are closely linked to the needs of families of young children.

The childcare subsidy programme offers funding assistance for families under stress or on low incomes, to enable them to attend childcare and education programmes. The family services funding programme targets a range of community-based family-support initiatives such as parent support groups and Parentline.

Related programmes that help meet the needs of families with young children include the Home Help Scheme and the Homebuilders Family Support Programme. These are delivered through community organisations and offer intensive short- to medium-term home-based support for families with high stress or a combination of difficulties. The workers of these schemes focus particularly on developing parenting skills. Budgeting advisory services are another example of a related family-support initiative; and the department's social work support services also provide family support.

As well—in relation to children with special needs—the department's funding of IHC, its administering of the Handicapped Child's Allowance, and its support for a number of other voluntary organisations provide additional resources for early childhood care and education.

The Department of Health

The Department of Health has a development unit which is responsible for the child, women, and family-health programme area. Its development and funding programmes include:

— Priority Area Programme (PAP) special funding scheme, administered by regional level health development units

— the Community Health Initiatives Funding Scheme (CHIFS).

In addition, health development units are involved in health maintenance activities through the work of public health nurses and environmental health activities, both of which have an impact on the early childhood sector. (As well, area health boards have initiated health-related family-support projects and whanau networking projects.)

District nurses and child potential units/child development units also play an important role in meeting the health-related needs of families with young children.

The Plunket Society (which is subsidised by Vote:Health) specialises in the health needs of children from birth to five years of age, whether they are at home or in a complementary care and education centre. Their Karitane community nurses also play a similar role.

Appendix 5: A Note on Related Issues Concerning Primary & Secondary Education

Child and Family Education in Primary and Secondary Schools

Early childhood services focus on the support of the family unit for the care and education of children under the age of six years. This focus on the family or whanau gives early childhood care and education a broader base than the other sectors within education.

Families are enriched by the presence of different generations and so too are effective early childhood services. Older children and adults can enjoy and make a positive contribution in a variety of informal ways, giving assistance to the staff of an early childhood centre and enriching the cultural environment through providing young children with the knowledge of cultural mores. Primary and secondary students can, as part of their educational experience, gain benefits from working and playing alongside children in an early childhood setting.

As part of the home economics programme, many secondary schools have a course on "A Child's World". This course is an example of the kind of education programme which the working group believes should be included in both primary and secondary school curricula. Such a "child and family studies" programme could include:

- child and family policy
- family structures
- family/whanau support needs
- how family support needs can be met
  - — through informal networks (friends and extended family/whanau)
  - — through community family services
- childcare development/management (including special needs)
- education for parenting
- the role and rights of children and young people
- relationship issues.

Children's Transition from Early Childhood to School

A very important transition for young children is that from early childhood services to school, at five or six years of age. Early childhood services need to work in close co-operation with their local primary school to ensure that a smooth transition takes place. On the whole, good liaison exists with neighbourhood primary schools and exchanges of visits are a common practice between new-entrant teachers and children in early childhood centres. These should continue under the new system of education administration.

Margery Renwick from the New Zealand Council for Educational Research has done extensive research on transition practices from early childhood centres to school. Several educational institutions—for example, Montessori and Rudolph Steiner—have a philosophy that is applied consistently as the child moves through pre-school and school.

Out-of-School Care

One area which is causing increasing concern and for which there is an unmet need is the demand for before- and after-school care. The Government is about to establish a working group to report on this issue. While it is not within the brief of the working group to look at out-of-school care, we see no reason why our model could not be extended to out-of-school care for children under 13 years. It should be noted that our costings do not include such provisions.

The Role of Parents in Education

Early childhood care and education not only lays the foundations for later learning and social adjustment for young children but it also provides an opportunity for parents to learn the management skills required for future involvement in boards of trustees of primary and secondary schools. Many parents gain confidence from their contact with early childhood services and continue on to make a contribution to the schools which their children later attend. Positive contact by parents with early childhood care and education services often helps to break down barriers created by negative experience during their own school life.

Appendix 6: Summary of Submissions

We were aware of the recent extensive consultation exercises within the early childhood sector—in particular, the Royal Commission on Social Policy and the Taskforce to Review Education Administration (the Picot taskforce). Further extensive consultation would have both duplicated earlier exercises and been a burden on those who would be consulted. Accordingly, we limited consultation to a request to groups and individuals to re-submit any relevant recent submissions or to provide fresh submissions if they wished.

A total of 51 submissions were received from individuals and organisations throughout the country. In addition, the Royal Commission on Social Policy provided abstracts from submissions on early childhood care and education. These were included in the analysis of submissions.

The following issues emerged:

Funding

Most respondents believed that the government should be involved in funding early childhood care and education services. While some advocated total government provision as of right, the majority argued only that current funding was not enough and that more was required. It was generally assumed that the cost of provision should be shared between the government, the community, and parents.

An area of general concern was the inequitable basis of current government funding—with each type of service having access to differing amounts of funding based on different criteria.

Most respondents favoured direct government funding to the provider rather than to the user. Payment for staff salaries was widely advocated, as was the retention of tax rebates.

Accessibility to Services

Choice of and accessibility to services were perceived to be limited. Choices were limited by type of care offered, age of the children catered for, the cost, and the availability of places. Accessibility was dependent on transport, waiting lists and the local supply of services. Particular areas of inadequate provision were identified as: children in rural areas; children under two and a half; and children with special needs.

The need for existing services to be more flexible was identified by both users and providers of services. In particular, users wanted services to cover a wide age range and providers wanted more government funding to respond to local needs—since those services that were more costly were less likely to be provided.

Quality of Care

Many respondents raised the issue of standards of care.

There was general agreement that the quality of care in most services should be improved—and areas for improvement identified were:

- the need to employ more trained staff or those in training
- the need for more resources (both support and administrative) to centres and organisations
- more support for the provision of special-needs programmes
- bicultural and equal-employment-opportunities policies
- more adequate staff:pupil ratios
- the need for a safe and stimulating physical environment for children.

It was generally perceived by respondents that the wages and conditions of childcare workers were extremely low, and that this resulted in considerable difficulties for attracting and retaining good-quality staff.

Administration of Early Childhood Services

Concern about the efficient administration of early childhood services centred on issues such as accountability, and the lack of co-ordination both in the provision of services and in the sources of government funding.

Accountability was identified as a crucial requirement for receiving government funds. Respondents wanted both funds and decision-making devolved to community level, within mutually agreed-upon accountability structures.

Accountability to parents was addressed in terms of encouraging parent participation in local management decisions.

The need for integrated and planned early childhood services was raised. A lack of planning was identified at a regional level and in rural areas. At the same time, the need to incorporate small self-initiated groups within the local network of services was identified. Respondents commented that services should reflect the local social context.

Some of the policy gaps identified were: more guidelines; regular assessment; greater co-ordination and the setting of clear priorities; and more information.

Women's Needs and Early Childhood Services

Respondents linked the provision of early childhood care and education services with the role of women in society. More support was needed in the provision of services for both women who choose to participate in the workforce and for women at home caring for children.

Social and economic patterns are changing and respondents commented that—although more women are participating in the workforce—provision of early childhood care and education services is not keeping pace with the child-care needs of society. The lack of affordable good-quality care is definitely limiting the choices available to women who wish to re-enter the workforce.

At the same time, women at home were also seen to be unsupported in their role. This came through particularly in the Royal Commission on Social

Policy submissions. These women often did not have access to kin and community support and lacked income and status. Access to early childhood care and education services was seen as essential to support those women in their child-rearing role and to provide them with time on their own.

Parent Education

A large number of respondents emphasised the need for parent education in the rearing of young children. Parents were seen as partners in the education process, and it was suggested that parent-skill courses be organised locally to provide the necessary support and education.

Government Themes Reflected

The Government has recognised five underlying themes in the area of social policy reform, each of which was clearly reflected in submissions to the working group.

Several respondents advocated Maori involvement in the setting of national guidelines and in the development of education programmes within centres or services. At the same time, there was support for the presence of kohanga reo in the early childhood sector. Pacific Island groups in their submissions impressed upon us the lack of responsiveness in current government funding structures, and the need for a service that developed and enhanced children's cultural identity.

As mentioned earlier, respondents also linked the social and economic status of women to the provision of early childhood care and education services. Women with pre-school children wanting to participate in the paid workforce are clearly dependent on access to early childhood care and education services. Early childhood services were also seen respondents to play a key role in the maintenance of the family unit: firstly, by enhancing the educational and social skills of pre-school children; and, secondly, by supporting parents in their child-rearing role.

Appendix 7: List of Submissions and Contributors

Associated Childcare Council
Auckland City Council
Bank Officers' Union
Barnardo's New Zealand
Brown, Betty
Carr, M
Central Region Early Childood Education Team
Childcare Action
Children in Hospital Liaison Group
Coalition of Parent Groups for Special Education
Cook, K
Correspondence School
Dickason, Ann
Downs Association
Early Childhood Workers Union
Federation of Early Childhood Education Organisations
Higgins, L
Kennedy, P
Kindercare
Maori Education Officers (Early Childhood Education)
Melody Childcare Centre
Montessori
National Advisory Committee on the Prevention of Child Abuse
National Advisory Council on the Employment of Women
National Council of Women in New Zealand
National Library of New Zealand
New Mother Support Groups
Northern Region Early Childhood Education Team
New Zealand Childcare Association
New Zealand Catholic Education Office
New Zealand Committee for Children
New Zealand Council for Educational Research
New Zealand Council for Christian Social Services
New Zealand Federation for Deaf Children Inc.
New Zealand Federation of Country Women's Institutes

New Zealand Free Kindergarten Teachers' Association
New Zealand Free Kindergarten Union
New Zealand Medical Women's Association
New Zealand Parents Centre
New Zealand Playcentre Federation
New Zealand Royal Foundation for the Blind
New Zealand Women in Management
O'Rourke, Maris
Otara School Neighbourhood Scheme
Phillips, J.D.
Royal Commission on Social Policy
Royal New Zealand Plunket Society
Rudolf Steiner School
Smith, Anne
Te Kohanga Reo
Wellington City Council
Wellington Multicultural Educational Resource Centre
Wellington Psychological Service
Women's Advisory Committee on Education
Young Women's Christian Association

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